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SENATE

{ REPORT
{ 104-142

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG
ADMINISTRATION, AND RELATED AGENCIES APPROPRIATION BILL, 1996

SEPTEMBER 14 (legislative day, SEPTEMBER 5), 1995.—Ordered to be printed

Mr. COCHRAN, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany H.R. 1976]

The Committee on Appropriations, to which was referred the bill (H.R. 1976) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1996, and for other purposes, reports the same to the Senate with amendments and recommends that the bill as amended do pass.

Total obligational authority, fiscal year 1996

Amount of bill as passed by the House	\$62,579,232,000
Amount of change by Senate Committee	1,202,918,000
Amount of bill as reported to Senate	63,782,150,000
Amount of 1995 appropriations acts to date	68,944,300,000
Amount of estimates, 1996	66,421,993,000
The bill as reported to the Senate:	
Under the appropriations provided in 1995	5,162,150,000
Under the estimates for 1996	2,639,843,000
Over the House bill	1,202,918,000

BREAKDOWN BY TITLE

The amounts of obligational authority for each of the six titles are shown in the following table. A detailed tabulation, showing comparisons, appears at the end of this report. Recommendations for individual appropriation items, projects and activities are carried in this report under the appropriate item headings.

	1995	1996 Committee recommendation
Title I: Agricultural programs	\$21,026,597,000	\$16,076,006,000
Title II: Conservation programs	2,645,871,000	2,695,646,000
Title III: Rural economic and community development programs	2,318,619,000	2,167,580,000
Title IV: Domestic food programs	40,249,809,000	40,271,250,000
Title V: Foreign assistance and related programs	1,712,819,000	1,627,542,000
Title VI: Related agencies	990,585,000	944,126,000
Total, new budget (obligational) authority	68,944,300,000	63,782,150,000

COMPLIANCE WITH SECTION 308 OF THE BUDGET CONTROL ACT

Section 308(a) of the Budget Control Act (Public Law 93-344) requires that this Committee include in its report specific budgetary information on the status of recommended appropriations relative to the First Concurrent Resolution. The following table provides these data:

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the First Concurrent Resolution for 1996: Subcommittee on Agriculture, Rural Development, and Related Agencies				
Defense discretionary				
Nondefense discretionary	13,310	13,310	13,608	¹ 13,608
Violent crime reduction fund				
Mandatory	49,842	50,284	39,177	39,128
Projections of outlays associated with the recommendation:				
1996				² 45,910
1997				4,406
1998				846
1999				305
2000 and future year				477
Financial assistance to State and local governments for 1996 in bill	NA	14,420	NA	12,155

¹Includes outlays from prior-year budget authority.

²Excludes outlays from prior-year budget authority.

NA: Not applicable.

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OVERVIEW AND SUMMARY OF THE BILL

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill provides funding for a wide array of Federal programs, mostly in the U.S. Department of Agriculture [USDA]. These programs include agricultural research and extension activities, a variety of conservation programs, farm income and commodity price support programs, marketing and inspection activities, domestic food programs, rural economic and community development activities and electrification assistance, and various export and international activities of the USDA.

The bill also provides funding for the Food and Drug Administration [FDA] and the Commodity Futures Trading Commission [CFTC], and allows the use of collected fees for administrative expenses of the Farm Credit Administration [FCA]. It also provides money to the Department of the Treasury for payments to the Farm Credit System Financial Assistance Corporation.

Given the budgetary constraints that the Committee faces, the bill as reported provides the proper amount of emphasis on agricultural and rural development programs. It is within the subcommittee's 602(b) allocation.

All accounts in the bill have been closely examined to ensure that an appropriate level of funding is provided to carry out the programs of USDA, FDA, CFTC, and FCA. Details on each of the accounts, the funding level, and the Committee's justifications behind the funding levels are included in the report.

The Committee notes that it has not commented on many items included as House report language. However, some of these items may be revisited in a conference committee with the House.

The Committee also has encouraged the consideration of grant and loan applications from various entities. The Committee expects the Department only to approve those applications judged meritorious when subjected to the established review process.

TITLE I—AGRICULTURAL PROGRAMS
 PRODUCTION, PROCESSING, AND MARKETING
 OFFICE OF THE SECRETARY

Appropriations, 1995	¹ \$2,770,000
Budget estimate, 1996	² 2,886,000
House allowance	10,227,000
Committee recommendation	12,801,000

¹ Reflects enacted rescission of \$31,000.
² The 1996 budget proposed that the immediate Office of the Secretary be funded in a single account under the Office of the Secretary.

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries and Assistant Secretaries, Chief Financial Officer, and members of their immediate staffs, directs and coordinates the work of the Department. This includes developing policy, maintaining relationships with agricultural organizations and others in the development of farm programs, and maintaining liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 2201–2202). The delegation of regulatory functions to Department employees and authorization of appropriations to carry out these functions is contained in 7 U.S.C. 450c–450g.

COMMITTEE RECOMMENDATIONS

For the Office of the Secretary, the Committee recommends an appropriation of \$12,801,000. This amount is \$9,915,000 more than the budget request, \$2,574,000 more than the House level, and \$10,031,000 more than the 1995 appropriation. The Committee continues the practice of appropriating funds for the Under and Assistant Secretaries in separate accounts.

The Committee concurs with the House provision that funding for InfoShare, the Department’s project to integrate information systems and business processes to improve service delivery to customers of farm service and rural development agencies, be under the Secretary’s direct guidance and control. The Committee provides \$10,000,000 to the Office of the Secretary for InfoShare, to remain available until expended. This is \$2,500,000 more than the House recommended level. The Committee notes that, in response to concerns raised by the Department’s inspector general and the General Accounting Office [GAO], the program is undergoing a reevaluation. All projects, including the common access manager [CAM], have been put on hold and the program is being refocused on business process reengineering as a prerequisite to large-scale acquisitions of new technology. The Committee expects the Department to defer new technology acquisitions until business process

reengineering is complete and other concerns raised about this project are satisfied. These include the need for a usable project management system to track project activities and a comprehensive budget tracking and accounting system to identify and report agency expenditures.

The Committee is concerned that various current and proposed departmental initiatives for acquisition of hardware and software systems for the headquarters and field offices, including the National Finance Center and InfoShare, may perpetuate administrative redundancy and incompatibility among systems of the Department. The Committee expects all information systems activities to be coordinated through the Office of the Secretary.

The Committee believes the Secretary should examine and, to the extent practicable, implement a Departmentwide information systems technology architecture. This will remove unnecessary firewalls between various departmental systems. It will ensure that the maintenance and reengineering of existing systems, as well as the development of new systems, is conducted in a shared environment which will eventually result in the complete interoperability of systems. It will minimize the redundancy and maximize the ability to reuse and maintain all information system components and ensure that departmental systems become portable among the different computer hardware and software technology platforms which the Department has today, or may need to acquire in the future as new technology becomes available.

The Secretary should provide a report to the Committee by January 31, 1996, on steps taken to implement this architecture. Further, the Committee believes that all activities related to new as well as ongoing acquisitions should cease until this examination is complete.

The Committee is aware of the realignment of management activities under the Department's reorganization. Under this plan, mission areas consolidated headquarters' management functions to provide more efficient administrative services in support of Department programs. The Committee expects that savings achieved through these efficiencies be applied to the greatest extent possible to reductions in funding required by this Act. In this regard, the Committee directs that a report be furnished to the Appropriations Committees by February 1, 1996, detailing the level of reductions achieved by each agency through consolidation of administrative accounts in fiscal year 1996. The report also should provide estimated planned savings through consolidated efficiencies in each future fiscal year through 2002.

The Committee notes the growth in global information system [GIS] technologies and their application in the public sector. In order to better coordinate these activities, the Secretary is encouraged to work with the National Center for Resource Innovations [NCRI]-Southwest to pursue the possibility of a multiagency, multidisciplinary approach to better involve Federal, State, and local governments in developing uniform GIS applications.

EXECUTIVE OPERATIONS

Executive operations was established as a result of the reorganization of the Department to provide a support team for USDA

policy officials and selected departmentwide services. Activities under the executive operations include the chief economist, the National Appeals Division, the Office of Budget and Program Analysis, and the Office of Small and Disadvantaged Business Utilization.

OFFICE OF THE CHIEF ECONOMIST

Appropriations, 1995	(¹)
Budget estimate, 1996	\$4,240,000
House allowance	3,948,000
Committee recommendation	3,814,000

¹Pursuant to the Department of Agriculture Reorganization Act of 1994, the Office of the Chief Economist and its functions were transferred to this account from the Office of the Assistant Secretary for Economics and from the Economic Research Service, National Agricultural Statistics Service, and World Agricultural Outlook Board. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$3,814,000.

The Office of the Chief Economist advises the Secretary of Agriculture on the economic implications of Department policies and programs. The Office serves as the single focal point for the Nation's economic intelligence and analysis, risk assessment, and cost-benefit analysis related to domestic and international food and agriculture, and is responsible for coordination and review of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

COMMITTEE RECOMMENDATIONS

For the Office of the Chief Economist, the Committee recommends \$3,814,000. This amount is \$426,000 less than the budget request, \$134,000 less than the House level, and \$3,814,000 more than the 1995 appropriation.

NATIONAL APPEALS DIVISION

Appropriations, 1995	(¹)
Budget estimate, 1996	\$12,166,000
House allowance	11,846,000
Committee recommendation	11,846,000

¹Pursuant to the Department of Agriculture Reorganization Act of 1994, the National Appeals Division functions previously handled in the Rural Housing and Community Development Service, Consolidated Farm Service Agency, and Natural Resources Conservation Service were transferred to this account. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$11,846,000.

The National Appeals Division conducts administrative hearings and reviews of adverse program decisions made by the Consolidated Farm Service Agency, the Natural Resources Conservation Service, and the Rural Housing and Community Development Service.

COMMITTEE RECOMMENDATIONS

For the National Appeals Division, the Committee recommends \$11,846,000. This amount is \$320,000 less than the budget request, the same as the House level, and \$11,846,000 more than the 1995 appropriation.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

Appropriations, 1995	\$5,795,000
Budget estimate, 1996	5,899,000
House allowance	5,899,000
Committee recommendation	5,899,000

The Office of Budget and Program Analysis provides direction and administration of the Department's budgetary functions including development, presentation, and execution of the budget; reviews program and legislative proposals for program, budget, and related implications; analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid the Secretary and departmental policy officials and agency program managers in the decisionmaking process; provides departmentwide coordination for and participation in the presentation of budget-related matters to the committees of the Congress, the media, and interested public. The Office also provides departmentwide coordination of the preparation and processing of regulations and legislative programs and reports.

COMMITTEE RECOMMENDATIONS

For the Office of Budget and Program Analysis, the Committee recommends \$5,899,000. This amount is \$104,000 more than the 1995 appropriation, and the same as the budget estimate and the House level.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

Appropriations, 1995	(¹)
Budget estimate, 1996	\$724,000
House allowance	
Committee recommendation	

¹Pursuant to the Department of Agriculture Reorganization Act of 1994, the Office of Small and Disadvantaged Business Utilization function was transferred from departmental administration to executive operations. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$707,000.

The Office of Small and Disadvantaged Business Utilization oversees direction and implementation of sections 8 and 15 of the Small Business Act and oversees procurement to assure maximum participation of small and disadvantaged businesses in the Department's contracts for goods and services; and directs and monitors USDA agencies' compliance in promoting full and open competition in the Department's contracting process.

COMMITTEE RECOMMENDATIONS

The Committee concurs with the House in not providing a separate appropriation for the Office of Small and Disadvantaged Business Utilization. This amount is \$724,000 less than the budget request. The Committee includes the 1995 level of funding of \$707,000 for the functions of this Office in the departmental administration appropriation. This is the same as the House recommendation.

OFFICE OF THE CHIEF FINANCIAL OFFICER

Appropriations, 1995 ¹	\$580,000
Budget estimate, 1996	4,952,000
House allowance	4,133,000
Committee recommendation	4,133,000

¹Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated for the Office of Finance and Management and the Office of the Chief Financial Officer are included. Funds appropriated for the safety and health management function are excluded. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$4,133,000.

Under the Chief Financial Officers Act of 1990, the Chief Financial Officer is responsible for the continued direction and oversight of the Department's financial management operations and systems. It is also responsible for the management and operation of the National Finance Center. The Office also provides budget, accounting, and fiscal services to the Office of the Secretary, departmental staff offices, Office of Communications, and executive operations.

COMMITTEE RECOMMENDATIONS

For the Office of the Chief Financial Officer, the Committee recommends \$4,133,000. This amount is \$819,000 less than the budget request, the same as the House level, and \$3,553,000 more than the 1995 appropriation.

The Committee retains House bill language to reinstate and market cross-servicing activities of the National Finance Center [NFC]. The Committee directs the USDA to actively market all available services at the NFC to other Federal agencies or entities for cross-servicing or franchising arrangements within the constraints of USDA and NFC capabilities, considering all demands for NFC services. Since such cross-servicing arrangements in the past have been documented to save millions of dollars, USDA is requested to work closely with prospective client agencies and the Office of Management and Budget to provide necessary full-time equivalents to the NFC to accomplish any workload expansions.

The Committee strikes House bill language regarding contracting at the National Finance Center. The Committee recommends that the Department perform appropriate cost-benefit and risk analyses to evaluate the use of commercial off-the-shelf financial management systems, in-house reengineering or modifications of existing systems, in-house development of new systems, and the use of outside contractors and consultants, or combinations of the above.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Appropriations, 1995	\$596,000
Budget estimate, 1996	¹ 616,000
House allowance	596,000
Committee recommendation	596,000

¹The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Assistant Secretary for Administration directs and coordinates the work of the departmental staff in carrying out the laws enacted by the Congress relating to real and personal property management, automated data processing, personnel management, equal opportunity and civil rights programs, development and dissemination of departmental information resources manage-

ment, and other general administrative functions. In addition, the Office of the Assistant Secretary for Administration is responsible for certain activities financed under the Department's working capital fund (7 U.S.C. 2235).

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Administration, the Committee recommends \$596,000. This amount is \$20,000 less than the budget request, and the same as the House and 1995 levels.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

Appropriations, 1995	\$135,193,000
Budget estimate, 1996	135,774,000
House allowance	135,774,000
Committee recommendation	135,774,000

Rental payments.—Annual appropriations are made to finance the appropriated portion of the payments to the General Services Administration [GSA] for rental of space and for related services to all USDA agencies, except the Forest Service which is funded in another appropriations bill.

Agency budget estimates for rent are based on GSA's projection of what it will charge the Agency in a given budget year. GSA sets rates according to the market value of property or space occupied, and independent of any agency input. Rent receipts are placed in a fund used by GSA in the management of its real property operations. All Federal Government agencies utilizing Government-owned or leased property pay into this fund, which provides GSA with a pool of capital to support overall Government space needs. In effect, agencies are paying prevailing commercial rental rates in order to subsidize the inflated cost of new construction and newly leased space, and to provide for vacant space in GSA's inventory.

Building operations and maintenance.—On October 1, 1984, the General Services Administration [GSA] delegated the operations and maintenance function for the buildings in the D.C. complex to the Department. This activity provides departmental staff and support services to operate, maintain, and repair the buildings in the D.C. complex. GSA expanded the delegation to include two additional buildings on October 1, 1986. One building is the Government-owned warehouse for forms in Lanham, MD, and the other is a leased warehouse for the excess property operation located at 49 L Street SW., Washington, DC. GSA retains responsibility for major nonrecurring repairs.

Strategic space plan.—The Department's headquarters staff is presently housed in a four-building Government-owned complex in downtown Washington, DC, and in leased buildings in the Metropolitan Washington area. In 1995, USDA initiated a plan to improve the delivery of USDA programs to the American people, including streamlining the USDA organization. A high-priority goal in the Secretary's plan is to improve the operation and effectiveness of the USDA headquarters in Washington. To implement this goal, a strategy for efficient reallocation of space to house the restructured headquarters agencies in modern and safe facilities has been proposed. This USDA strategic space plan will correct serious

problems USDA has faced in its facility program including the inefficiencies of operating out of scattered leased facilities and serious safety hazards which exist in the Agriculture South Building.

COMMITTEE RECOMMENDATIONS

For U.S. Department of Agriculture buildings and facilities and payments for the rental of space and related services, the Committee recommends \$135,774,000. This amount is the same as the budget request and the House level, and \$581,000 more than the 1995 appropriation. Included in the Committee's recommendation is \$89,971,000 for rental payments to the General Services Administration [GSA]; \$20,216,000 for building operations and maintenance; and \$25,587,000 for repairs, renovations, and construction.

ADVISORY COMMITTEES [USDA]

Appropriations, 1995	\$928,000
Budget estimate, 1996	885,000
House allowance	800,000
Committee recommendation	650,000

The Department of Agriculture utilizes advisory committees to obtain expertise which is not feasible to maintain on the permanent staff. Because of the broad range of missions performed by the Department and the complexity of skills needed in this performance from time to time, it is essential to call upon experts in academia and the private sector to supplement the expertise of departmental employees in order to assure that decisions on major national issues are based upon state-of-the-art information.

COMMITTEE RECOMMENDATIONS

For advisory committees of the Department of Agriculture, excluding those relating to the Forest Service and those financed from user fees, the Committee recommends \$650,000. This amount is \$235,000 less than the budget request, \$150,000 less than the House level, and \$278,000 less than the 1995 appropriation.

The Committee expects the Secretary to fund only those advisory committees essential to the Department.

HAZARDOUS WASTE MANAGEMENT

Appropriations, 1995	\$15,700,000
Budget estimate, 1996	15,700,000
House allowance	15,700,000
Committee recommendation	15,700,000

Under the Comprehensive Environmental Response, Compensation, and Liability Act and the Resource Conservation and Recovery Act, the Department has the responsibility to meet the same standards regarding the storage and disposition of hazardous waste as private businesses. The Department is required to contain, clean up, monitor, and inspect for hazardous waste in areas under the Department's jurisdiction.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$15,700,000 for hazardous waste management. This amount is the same as the budget request, the House level, and the 1995 amount.

DEPARTMENTAL ADMINISTRATION

Appropriations, 1995 ¹	\$26,187,000
Budget estimate, 1996	87,347,000
House allowance	27,986,000
Committee recommendation	27,986,000

¹ Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated for the Office of Finance and Management and the Office of Small and Disadvantaged Business Utilization are excluded. Funds appropriated for the safety and health management function and civil rights enforcement function, which were originally appropriated under other accounts, are included. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$27,279,000.

The departmental staff offices provide staff support to the top policy officials of the Department and overall direction and coordination of the work of USDA's program agencies to ensure the efficient and effective management and operation of the Department. Activities carried out by the departmental staff offices include:

Personnel.—This office provides leadership, coordination, and monitoring of the personnel management program in the Department and promulgates departmental policies and procedures relating to all personnel functions, and provides liaison with the Office of Personnel Management.

Operations.—This office provides staff and support services in the management of real and personal property, procurement, contracts, supplies, motor vehicles, and internal energy conservation. Under an agreement with GSA, it operates and provides maintenance, security, and services to the Washington, DC, building complex.

Information resources management.—This office designs, implements, and revises systems, processes, work methods, and techniques to improve the management of information resources and the operational effectiveness of USDA. This office also provides telecommunications and ADP services to USDA agencies and staff offices, including the Fort Collins Computer Center and the Kansas City Computer Center.

Civil rights enforcement.—This office develops overall policies and manages the Department's civil rights and equal opportunity programs; plans and coordinates the participation of women, minorities, and disabled persons in departmental programs; and directs departmental efforts to further the participation of minority colleges and universities in USDA programs.

Administrative law judges and judicial officer.—The administrative law judges hold rulemaking and adjudicatory hearings and issue initial decisions and orders, and the judicial officer serves as final deciding officer in regulatory proceedings.

Disaster management and coordination.—This staff is the focal point of contact with the Federal Emergency Management Agency and all other Federal departments and agencies having emergency program responsibilities and provides oversight, coordination, and guidance to USDA agencies in their emergency planning, training, and activities.

Modernization of administration processes.—This staff works with USDA agencies and the Chief Financial Officer to reengineer administrative processes in the Department to achieve efficiencies and integrate these processes with a modern accounting and financial reporting system.

InfoShare.—This program is a customer-oriented method for USDA agencies to test, evaluate, and acquire new technologies which will emphasize one-stop customer service and integrated data sharing. In the past, USDA agencies independently acquired or developed data systems, hardware, and software to accomplish agency missions. This resulted in redundant business processes, a paperwork burden on USDA customers, high financial investments, and the inability of agencies to share information in an effective timeframe.

COMMITTEE RECOMMENDATIONS

For departmental administration, the Committee recommends an appropriation of \$27,986,000. This amount is \$1,799,000 more than the amount provided in 1995, \$59,361,000 less than the budget estimate, and the same as the House level.

The Committee has recommended funding for the InfoShare initiative, which is included in the fiscal year 1996 request for this account, under the Office of the Secretary. The Committee includes continued funding of \$707,000 for the functions of the Office of Small and Disadvantaged Business Utilization under this account.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

Appropriations, 1995	\$1,764,000
Budget estimate, 1996	¹ 1,838,000
House allowance	3,797,000
Committee recommendation	1,764,000

¹The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Assistant Secretary for Congressional Relations maintains liaison with the Congress and White House on legislative matters. It also provides for overall direction and coordination in the development and implementation of policies and procedures applicable to the Department's intra and inter-governmental relations.

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Congressional Relations, the Committee recommends an appropriation of \$1,764,000. This amount is the same as the amount available for 1995, \$2,033,000 less than the House level, and \$74,000 less than the budget estimate.

While the Committee concurs with the House recommendation that the Department should eliminate duplication and achieve greater efficiencies in its congressional affairs activities, it does not agree that this is best achieved by consolidating agency congressional affairs functions at the departmental level.

OFFICE OF COMMUNICATIONS

Appropriations, 1995	\$8,198,000
Budget estimate, 1996	8,890,000
House allowance	8,198,000
Committee recommendation	8,198,000

The Office of Communications provides direction, leadership, and coordination in the development and delivery of useful information through all media to the public on USDA programs. The Office serves as the liaison between the Department and the many associations and organizations representing America's food, fiber, and environmental interests.

COMMITTEE RECOMMENDATIONS

For the Office of Communications, the Committee recommends an appropriation of \$8,198,000. This amount is the same as the 1995 and the House levels, and \$692,000 less than the budget estimate.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 1995 ¹	\$63,418,000
Budget estimate, 1996	64,739,000
House allowance	63,639,000
Committee recommendation	63,639,000

¹The civil rights enforcement function was transferred to departmental administration. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$63,288,000.

The Office of the Inspector General was established October 12, 1978, by the Inspector General Act of 1978. This act expanded and provided specific authorities for the activities of the Office of the Inspector General which had previously been carried out under the general authorities of the Secretary of Agriculture.

The Office is administered by an inspector general who reports directly to the Secretary of Agriculture. Functions and responsibilities of this Office include direction or control of audit and investigative activities within the Department, formulation of audit and investigative policies and procedures regarding Department programs and operations, analysis and coordination of program-related audit and investigation activities performed by other Department agencies, and review of existing and proposed legislation and regulations regarding the impact such initiatives will have on the economy and efficiency of the Department's programs and operations and the prevention and detection of fraud and abuse in such programs.

The activities of this Office are designed to assure compliance with existing laws, policies, regulations, and programs of the Department's agencies, and to provide appropriate officials with the means for prompt corrective action where deviations have occurred. The scope of audit and investigative activities is large and includes administrative, program, and criminal matters. These activities are coordinated, when appropriate, with various audit and investigative agencies of the executive and legislative branches of the Government.

COMMITTEE RECOMMENDATIONS

For the Office of the Inspector General, the Committee recommends an appropriation of \$63,639,000. This is \$1,100,000 less than the budget request, the same as the House level, and \$221,000 more than the 1995 appropriation.

The Committee has included a provision in the bill to allow funds transferred to the Office of the Inspector General [OIG] from forfeiture actions in investigations in which the OIG participates to be credited to this appropriations account to be used for OIG law enforcement activities relating to detection and deterrence of fraud and abuse.

OFFICE OF THE GENERAL COUNSEL

Appropriations, 1995	\$25,992,000
Budget estimate, 1996	27,860,000
House allowance	27,860,000
Committee recommendation	27,860,000

The Office of the General Counsel, originally known as the Office of the Solicitor, was established in 1910 as the law office of the Department of Agriculture, and performs all of the legal work arising from the activities of the Department. The General Counsel represents the Department on administrative proceedings for the promulgation of rules and regulations having the force and effect of law and in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from and decisions of the Commission to the courts. Counsel serves as general counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation and reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

COMMITTEE RECOMMENDATIONS

For the Office of the General Counsel, the Committee recommends an appropriation of \$27,860,000. This amount is the same as the budget request and the House level, and \$1,868,000 more than the 1995 appropriation.

In recommending the full budget request level for the Office of the General Counsel, the Committee concurs with the House in its expectation that the Office not supplement its budget by seeking reimbursement from other agencies' appropriations in this bill.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION, AND ECONOMICS

Appropriations, 1995	\$520,000
Budget estimate, 1996	¹ 535,000
House allowance	520,000
Committee recommendation	520,000

¹The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for Research, Education, and Economics provides direction and coordination in carrying out the

laws enacted by the Congress for food and agricultural research, education, extension, and economic and statistical information. The Office has oversight and management responsibilities for the Agricultural Research Service; Cooperative State Research, Education, and Extension Service; Economic Research Service; and National Agricultural Statistics Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Research, Education, and Economics, the Committee recommends an appropriation of \$520,000. This amount is \$15,000 less than the budget request, and the same as the House and 1995 levels.

Research is the major component driving our Nation's achievements in agriculture. The U.S. investment in research has paid incalculable dividends in advanced technologies and improved management practices which, in turn, have resulted in dramatic improvements in our food system from production to consumption. Federal agricultural research has managed this with less than 2 percent of the total Federal expenditure on research and development.

This Committee has valued the role of Federal research to ensure the Nation's people of a continued, economical, wholesome, and plentiful food supply while protecting and preserving our country's natural resource wealth. As the U.S. population and that of the world continues to grow, the demands on research to enhance more efficient agricultural production will escalate. So, too, will there be pressure for research to ensure production efficiencies that will be harmonious with and sensitive to the environment, and ensure that the food and agriculture system is increasingly competitive in the global marketplace.

Resource limitations prevent this Committee from increasing, or even maintaining, support for agriculture research, education, and extension activities. However, the Committee has dedicated significant resources to maintain our agricultural knowledge and technology base, and to finance important and priority research in the areas of plant and livestock production efficiency, postharvest technologies, new uses for agricultural commodities, and to promote trade, conservation of natural resources, and food safety and health. It is essential that resources be directed to meet the critical agricultural needs of both producers and consumers in a time of decreasing Federal resources.

The Committee is aware of breakthroughs in long-term natural systems agriculture research and wishes to have these research breakthroughs further examined. Therefore, the Committee expects the Secretary to make an analysis of the feasibility, productive potential, and economic and environmental benefits of long-term natural systems agriculture and to identify associated near-term research needs.

ECONOMIC RESEARCH SERVICE

Appropriations, 1995 ¹	\$53,936,000
Budget estimate, 1996	54,665,000
House allowance	53,131,000
Committee recommendation	53,526,000

¹Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated for the economic analysis staff are excluded. These funds are included under executive operations. Funds appropriated for the EEO counseling function are excluded. These funds are included with the Office of Civil Rights Enforcement under the departmental administration appropriation. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$53,526,000.

The Economic Research Service [ERS], originally established in 1961 principally under the authority of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), was reestablished under the authority of the Secretary of Agriculture as a USDA bureau in 1981.

ERS produces economic and other social science information as a service to the general public and to aid Congress and the executive branch in developing, administering, and evaluating agricultural and rural policies and programs. ERS monitors, analyzes, and forecasts United States and world agricultural production and demand for production resources, agricultural commodities, and food and fiber products. ERS also measures the costs of and returns to agricultural production and marketing; evaluates the economic performance of U.S. agricultural production and marketing; and estimates the effects of Government policies and programs on farmers, rural residents and communities, natural resources, and Americans in general. In addition, ERS produces economic and other social science information about the organization and institutions of the United States and world agricultural production and marketing systems, natural resources, and rural communities.

COMMITTEE RECOMMENDATIONS

For the Economic Research Service, the Committee recommends an appropriation of \$53,526,000. This amount is \$1,139,000 less than the budget request, \$395,000 more than the House level, and \$410,000 less than the 1995 appropriation.

The Committee recommendation includes \$395,000, the same as the 1995 amount, to continue the rice modeling project conducted in coordination with the University of Arkansas and the University of Missouri.

NATIONAL AGRICULTURAL STATISTICS SERVICE

Appropriations, 1995 ¹	\$81,424,000
Budget estimate, 1996	89,837,000
House allowance	81,107,000
Committee recommendation	81,107,000

¹Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated for the economic analysis staff are excluded. These funds are included under executive operations. Funds appropriated for the EEO counseling function are excluded. These funds are included with the Office of Civil Rights Enforcement under the departmental administration appropriation. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$80,995,000.

The primary responsibilities of the National Agricultural Statistics Service [NASS] are the development and issuance of national and State agricultural statistics, statistical research, and coordina-

tion of the Department's statistical programs as authorized under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627).

NASS programs are conducted in the following major areas:

Agricultural estimates.—This area includes estimates of production, supply, price, and other aspects of the agricultural economy; conduct of enumerative and objective measurement surveys; preparation and issuance of the official national and State estimates and reports of the Department relating to acreages, types and production of farm crops, number of livestock on farms, livestock products, stocks of agricultural commodities, value and utilization of farm products, prices received and paid by farmers, and other subjects as required.

Statistical research and service.—This area includes the research on and development of improved statistical techniques used in gathering and evaluating statistical data, including use of satellite data.

Work performed for others.—Services are performed for other Federal and State agencies and private commodity organizations on a reimbursable or advance payment basis. These services consist primarily of conducting surveys and performing related statistical data collection activities. They also include technical consultation and support and technical assistance programs abroad under participating agency service agreements.

COMMITTEE RECOMMENDATIONS

For the National Agricultural Statistics Service, the Committee recommends an appropriation of \$81,107,000. This amount is \$317,000 less than the 1995 amount, \$8,730,000 less than the budget estimate, and the same as the House recommended level.

AGRICULTURAL RESEARCH SERVICE

Appropriations, 1995 ¹	\$714,689,000
Budget estimate, 1996	709,810,000
House allowance	705,610,000
Committee recommendation	707,000,000

¹Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated for the agricultural information and library services functions under the National Agricultural Library are included. Funds appropriated for the EEO counseling function are excluded. These funds are included with the Office of Civil Rights Enforcement under the departmental administration appropriation. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$714,394,000.

The Agricultural Research Service [ARS] is responsible for conducting basic, applied, and developmental research on: soil and water conservation; plant productivity; animal productivity; commodity conversion and delivery; human nutrition; and integration of agricultural systems. The research applies to a wide range of goals, commodities, natural resources, fields of science, and geographic, climatic, and environmental conditions.

ARS is also responsible for the National Agricultural Library which provides agricultural information and library services through traditional library functions and modern electronic dissemination to agencies of the USDA, public and private organizations, and individuals.

As the U.S. Department of Agriculture's in-house agricultural research unit, ARS has major responsibilities for conducting and

leading the national agricultural research effort. It provides initiative and leadership in five areas: research on broad regional and national problems; research to support Federal action and regulatory agencies; expertise to meet national emergencies; research support for international programs; and scientific resource to the executive branch and Congress.

The mission of ARS research is to develop new knowledge and technology which will ensure an abundance of high-quality agricultural commodities and products at reasonable prices to meet the increasing needs of an expanding economy and to provide for the continued improvement in the standard of living of all Americans. This mission focuses on the development of technical information and technical products which bear directly on the need to: (1) manage and use the Nation's soil, water, air, and climate resources, and improve the Nation's environment; (2) provide an adequate supply of agricultural products by observing practices that will maintain a permanent and effective agriculture; (3) improve the nutrition and well-being of the American people; (4) improve living in rural America; and (5) strengthen the Nation's balance of payments.

COMMITTEE RECOMMENDATIONS

Salaries and expenses.—For salaries and expenses of the Agricultural Research Service, the Committee recommends \$707,000,000. This is \$7,689,000 less than the 1995 level, \$2,810,000 less than the budget request, and \$1,390,000 more than the House level.

The Committee's recommendations with respect to specific areas of research are as follows:

Apple research.—The Committee recommends no less than the 1995 level for the continuation of apple research in the area of pesticide use and postharvest technologies. The Committee expects ARS to coordinate this research with the International Apple Institute. The Committee further expects that the level of funds provided in 1995 to postharvest technology research at Pennsylvania State University's Fruit Research Laboratory at Biglerville, PA, be continued.

Arkansas staffing.—The Committee recommends an increase of \$125,000 for scientist staffing for the aquaculture unit at Pine Bluff, AR, and encourages continued coordination with activities at the Stuttgart, AR, aquaculture facility.

Arkansas Children's Hospital.—The Committee continues its support for the ARS Center of Excellence in Nutrition Research located at the Arkansas Children's Hospital Research Institute and provides an increase of \$300,000 above the fiscal year 1995 level.

ARS research laboratories.—The Committee concurs with the administration's proposal to close the Brawley, CA; Houma, LA; Reno, NV; Brownwood, TX; and Jackson, TN, ARS laboratories. The Committee has retained House bill language to convey the Federal properties and assets at Brawley, CA; Brownwood, TX; Houma, LA; and Lewisburg, TN, to non-Federal ownership. Savings will be achieved from the termination of administrative services, indirect research support costs, and facilities' maintenance and operational costs at these locations. Funding is provided to continue research currently conducted at the Brawley and Brownwood laboratories and to transfer the soybean research program from Jackson, TN,

to Stoneville, MS, as requested. To maintain the strong public/private research partnership in Houma between the Louisiana sugarcane industry and the ARS, the Committee expects the ARS to continue research at the Houma facility as a designated worksite of the ARS Southern Regional Research Center in New Orleans, LA. In addition, continued funding is provided for the Miami, FL, and Sidney, MT, ARS laboratories, as well as funding to maintain Orono, ME; East Grand Forks, MN; Clemson, SC; Chatsworth, NJ; and El Reno, OK, as ARS worksites. Research direction and administration of these locations will be shifted to primary ARS laboratories, achieving savings in indirect research support costs and administrative services.

Bee research.—The Committee recommends \$5,208,000 for bee research, the same amount as the budget request. The Committee expects continued work on varroa mite control and chalkbrood biological control. The Committee further expects ARS to continue to cooperate with regional universities through extramural agreements at the current levels.

Biological control research.—The Committee is encouraged by results of a project at the Midsouth Research Center aimed at biological control of heliothis. This pilot project seeks to produce economic and environmental benefits through proposed reductions in pesticide use. The Committee provides the fiscal year 1995 level of funding, the same as the budget request, for the ARS to continue this research project in fiscal year 1996.

Center for Food Safety and Postharvest Technology.—The Committee is aware of the significance of the research currently underway relating to catfish products at the Mississippi Center for Food Safety and Postharvest Technology and supports the expansion of the program to include other foods.

Cereal crops research.—The Committee includes an additional \$200,000 to provide an adequate level of support for the cereal crop research unit located at the University of Wisconsin-Madison.

The Committee also notes the need for an additional small grains plant pathologist at the Cereal Rust Laboratory at the University of Minnesota and urges the Department to consider funding this additional scientist.

Chronic disease research.—The Committee provides an additional \$1,000,000, the same as the budget request, to expand research on the diet effects on nutrition. This research will focus on new approaches to nutrient needs of the elderly to maintain cognitive and neurological functions, as well as muscle and bone strength. Interactions of food components in decreasing risk of disease will be targeted.

Corn germplasm research.—The Committee provides continued funding at the fiscal year 1995 level for the special corn germplasm research program. The program holds significant promise for improving the genetic base of U.S. corn hybrids to improve yield prospects and resistance to insect, disease, and weather-related problems.

Cotton value-added/quality research.—U.S. agriculture's continued economic strength depends on efficient production and value-added technology. The Committee urges ARS to continue to place high priority on cotton textile processing research conducted at

New Orleans, LA, to improve quality, reduce defects, and improve easy-care products. The Committee recommends funding at the budget request level for this research.

Delta nutrition and health promotion initiative.—The Committee has provided \$2,550,000, the same as the budget estimate, to begin implementation of the delta nutrition and health promotion initiative, to be carried out by six universities and institutions in Louisiana, Arkansas, and Mississippi in a unique partnership with the Agricultural Research Service.

Endophyte.—For the center of excellence in endophyte/grass research to be operated cooperatively by the University of Missouri and the University of Arkansas, the Committee recommends \$200,000, the same as the budget request. The purpose of this research is to enhance the sustainability of fescue-based beef production and to develop innovative applications of endophyte in improving stress resistance in other forage, turf, and grain crop species.

Fish Farming Experiment Laboratory.—The Committee provides an increase of \$500,000 above the fiscal year 1995 level for the Fish Farming Experiment Laboratory in Stuttgart, AR. The Committee notes that this continues Federal funding for the laboratory at the fiscal year 1995 level and reflects only the transfer of the facility from the Department of the Interior to the U.S. Department of Agriculture. The Committee directs the ARS to continue ongoing research at this facility consistent with the authorities contained in the Fish Rice Rotation Act (Public Law 85-342) and to provide technology and information transfers as authorized by 15 U.S.C. 3710.

The Committee acknowledges the importance of avoiding duplication in research being administered by the U.S. Department of Agriculture at various locations throughout the country. In order to ensure that duplication does not occur in the field of warmwater aquaculture research, the Stuttgart research facility should not engage in channel catfish research related to production systems, nutrition, water quality, genetics, disease diagnosis, or food processing which is ongoing at the National Warmwater Aquaculture Research Center at Stoneville, MS.

Fruit fly.—The Committee continues its fiscal year 1995 recommendation to scale back the fruit fly eradication experiment in Hawaii to release funds for the development and approval of high-priority quarantine treatments to enable shipment of diversified agricultural products to domestic and foreign destinations. The Committee directs the ARS to continue to provide \$300,000 to the Hawaii Institute of Tropical Agriculture and Human Resources to develop and implement a program to address the papaya ringspot virus that is devastating papaya production in the Puna District of the Island of Hawaii; and \$300,000 to the Hawaii Institute of Tropical Agriculture and Human Resources for a program to create nematode resistance in commercial pineapple cultivars. In addition, the Committee expects the Tropical Fruit and Vegetable Laboratory of the ARS to continue research on the papaya ringspot virus in collaboration with the Hawaii Institute of Tropical Agriculture and Human Resources. The Committee views the nematode and ringspot virus activities as supportive of a national agricultural research agenda as well as one specific to Hawaii.

Fruit research.—The Committee is aware of the very important work carried out on fruit research at Wenatchee and Yakima in the State of Washington. The Committee will expect the Department to continue to give increased attention to the important work carried out at these two facilities.

Grain legume research.—The Committee acknowledges the importance of a grain legume genetics research position at Washington State University in Pullman, WA. This research will focus on approaches to increase surface crop residues and on methods to overcome disease and insect problems in grain legumes. The Committee encourages the Department to consider funding this important research position.

Grain sorghum research.—The Committee encourages the ARS to employ a research scientist with expertise in molecular biology to perform research on developing grain sorghum resistance to chinch bugs and green bugs, utilizing the tools of biotechnology, at the University of Nebraska-Lincoln. The research performed to date is promising and merits continued support.

Hops.—The Committee recognizes the outstanding increase in production of the U.S. hops industry, which has taken the lead in worldwide production, and of Washington State which produces 75 percent of the total U.S. crop. Included in the recommendation is \$395,000, the same as the fiscal year 1995 and budget request levels, to continue hops research in the Pacific Northwest.

Improved air quality.—The Committee provides \$500,000 of the increase requested to expand research on the mechanisms and means of control of PM-10 dust emission. Research will include an assessment of fugitive dust-sized particles as a result of farming operations, emissions during tillage operations and generation and entrainment of fugitive dust particles during windstorms.

Jointed goatgrass control.—Jointed goatgrass infests nearly 5 million acres of winter wheat in the western United States, costing wheat growers an estimated \$145,000,000 annually. Jointed goatgrass is impossible to control selectively in wheat with current methods because it is genetically related to wheat and has increased rapidly with widespread adoption of conservation tillage systems. It reduces yields, increases dockage costs, and reduces grain and seed value. The Committee expects the ARS to continue, at the fiscal year 1995 level, in the multidisciplinary national research effort among State and Federal scientists to develop effective control measures to reduce the impact of jointed goatgrass on wheat production. This research is to be coordinated with companion research funded by the Cooperative State Research, Education, and Extension Service.

Kenaf.—The Committee recommends continued funding at the fiscal year 1995 level for the cooperative agreement between ARS and Mississippi State University to further kenaf research and product development efforts.

Livestock and range research.—The Committee provides an increase of \$80,000 to support the replacement of one of the quantitative beef cattle geneticists with a molecular geneticist at the ARS Fort Keogh Livestock and Range Research Center in Miles City, MT. This will enable the laboratory to capitalize fully on the latest available gene marker technology in expediting the use of

animal genetics in the development of ecologically and economically sustainable range animal management systems.

Methyl bromide.—For research on a replacement for methyl bromide the Committee has provided \$13,139,000, the same as the 1995 and budget request levels. Methyl bromide is a critically important chemical for agricultural producers throughout the Nation. Given the approaching ban of methyl bromide from the marketplace in the year 2000, the U.S. agriculture industry must find viable and cost-effective alternatives to methyl bromide. The Committee expects the ARS to work with the Crop Protection Coalition on this research and to direct the research to those facilities and universities that have expertise or ongoing programs in this area.

Minor crop pest control.—The Committee directs ARS to continue its work on developing environmentally safe methods to control pests in tropical and subtropical agricultural systems and to work in collaboration with the University of Hawaii on these issues. The Committee recommends continued funding at the 1995 level for the Hawaii Institute of Tropical Agriculture and Human Resources at the University of Hawaii to collaborate in this research effort.

National Agricultural Library.—The Committee provides an increase of \$751,000 for the National Agricultural Library's preservation and storage program and electronic information initiative. In addition, the Committee provides continued funding at the fiscal year 1995 level for the National Center for Agricultural Law Research and Information at the Leflar School of Law in Fayetteville, AR.

National Sedimentation Laboratory.—The Committee continues funding at the fiscal year 1995 level, the same as the budget request, for work now underway at the National Sedimentation Laboratory, and encourages the ARS to provide additional support to the laboratory in accordance with the approved cooperative agreement. The laboratory is to expand its studies on the use of acoustics to characterize soils, determine moisture content, and monitor crop growth. Further, it is encouraged to continue its close relationship with the National Center for Physical Acoustics in these research efforts and to develop additional applications.

National Warmwater Aquaculture Research Center.—The Committee acknowledges that progress has been made toward the original plans for fully staffing the National Warmwater Aquaculture Research Center at Stoneville, MS. In recognition of the need to continue the expansion of research for the future of aquaculture throughout the Midsouth region, the Committee encourages ARS to establish a critical mass of research capabilities as originally proposed by the agency. Priority is to be given to the completion of the staffing for this center. In this regard, the Committee provides \$650,000 above the fiscal year 1995 level to continue to meet the objectives outlined in the original USDA plan for the Aquaculture Center.

Northwest Nursery Crops Research Center.—Nursery and greenhouse products rank No. 1 among Oregon's diverse agricultural commodities and third in the Nation. As the public demands more and more plants and trees to help clean and cool the air, stem runoff and soil erosion, and improve water quality and conservation, the nursery industry is playing an expanding and significant envi-

ronmental and research role. The Committee encourages the ARS to expand its support for the Northwest Nursery Crops Research Center's research program in these environmental areas.

Northwest Small Fruits Research Center.—The Committee recommends \$500,000 above the fiscal year 1995 level for additional research at the Northwest Small Fruits Research Center. Oregon, Washington, and Idaho are major producers of berry and grape crops. The small fruits industry is composed of 2,800 growers and 240 processors with a processed value of over \$375,000,000.

Peanut research.—The Committee supports research activities at the Peanut Research Unit in Stillwater, OK. The Committee understands that the Stillwater facility conducts vital plant pathology, plant breeding, and plant physiology research which benefits the entire southwestern U.S. peanut industry. The Committee recommends continued funding for this program.

Pear thrip.—The recommendation provides the 1995 level of funding to continue research on various nonchemical means of controlling pear thrip, including fungi and other biological means. This pest is particularly devastating to maples in New England, and the research should be carried out in that region. The Committee's recommendation includes continued funding for the pear thrip cooperative agreement with the University of Vermont.

Poisonous plants.—Poisonous plants rank high among the causes of economic loss to the livestock industry. It has been estimated that the livestock industry of the 17 Western States sustains an estimated \$340,000,000 annual loss to deaths and reproductive failure from poisonous plants. The Committee encourages the ARS to provide an adequate level of support to the Poisonous Plant Laboratory, Logan, UT, which conducts research on livestock poisoning by plants for the United States and is studying ways to reduce losses.

Potato research.—The Committee urges the Agricultural Research Service to continue to work closely with the National Potato Council on how funds can best be used to solve production and marketing problems relating to early dying, marketing, potato scab, ring rot, variety development, aphids, and beetle insect problems. The Committee further recognizes the need for research relating to late blight, a new disease that is causing major losses in potato production.

Program continuations.—In addition to those research programs specifically mentioned herein, the Committee directs the ARS to continue at the fiscal year 1995 level the following areas of research: silverleaf whitefly; weed control research, including yellow starthistle control and eradication, in Albany, CA; insect pests of pecans research; remote sensing research; wild rice research; potato research; natural products research; sugarbeets research; vegetable handling research; fungal phytase research; lyme disease research; meats and poultry research at Beltsville; forage research; and zinc/human nutrition research at Ithaca.

Rural development.—The Committee provides \$200,000, the same as the budget request, to establish a rural development program at Alcorn State University, the oldest historically black land-grant university in the Nation. This program will focus on improv-

ing hog farming and breeding stock and on the development of a viable education and extension program on cooperatives.

Rural geriatric nutrition.—The Committee provides \$250,000 for the ARS to initiate a research program at the Geissinger Health System's Rural Geriatric Nutrition Center in Danville, PA. The Committee understands that this research will include studies of malnutrition and overnourishment in rural geriatric populations.

Small farms.—The Committee expects the ARS to continue its support for the South Central Family Farm Research Center at Booneville, AR. The Committee has provided a \$500,000 increase for agroforestry research in conjunction with work at the University of Missouri.

Southern Insect Management Laboratory.—For several years, the Committee has urged the Department to participate in a joint research project with the National Center for Physical Acoustics [NCPA]. The Committee provides \$200,000, \$50,000 above the fiscal year 1995 level, for a cooperative agreement with the National Center for Physical Acoustics to develop automated methods to monitor pest populations using advanced acoustic techniques; at least \$180,000 of this amount will be used to support the existing program at the NCPA.

Soybean research.—The Committee provides continued funding for soybean composition research, production agronomy and breeding programs as in previous fiscal years, and expects the agency to continue to emphasize these research priorities.

Subterranean termite.—The Committee recognizes the substantial damage to forests and structures caused by subterranean termites in Hawaii and in other States. The Committee further recognizes the need to devise effective termite control methods that do not endanger public health and safety. The Committee recommends that the ARS continue funding the termite research work in Hawaii.

Sugarcane research, Hawaii.—The Committee provides the fiscal year 1995 level of funding for the ARS to continue its research program at the Hawaiian Sugar Planters' Association Experiment Station. The Committee expects this program to assist in maintaining the competitiveness of the remaining sugarcane plantations and to continue to serve as the premier sugarcane research institution supporting sugarcane research throughout the United States. The Committee further expects that these funds will support the expansion of new crops and products to complement sugarcane production.

Tropical aquaculture research.—The Committee recognizes the important role of tropical aquaculture in reversing the Nation's trade deficits in seafood products and in creating long-term sustainable employment of human and marine resources. The Committee further recognizes the significant scientific and commercial contributions offered by the expertise and natural resource conditions found in Hawaii. To fully realize these benefits, the Committee continues the fiscal year 1995 levels of funding for the aquaculture productivity research and the requirements and sources of nutrients for marine shrimp projects in Hawaii.

Water quality.—The Committee acknowledges the progress which has been made toward water quality objectives in conjunction with

the pesticide application technology research currently conducted at the Midsouth Research Center. The ARS should continue this joint research initiative and expand it in meeting the Department's integrated pest management objectives.

Wheat virus research.—Wheat virus diseases are a major problem both in Nebraska and other wheat producing areas of the country. The Committee provides an increase of \$300,000 to continue support for two ARS wheat virologist positions in Lincoln, NE. This cooperative program with the Nebraska Agricultural Experiment Station program has been successful in solving many crucial problems in wheat virology and continues to focus on wheat virus disease problems of regional, national, and international significance.

In complying with the Committee's intentions, ARS is expected not to redirect support for programs from one State to another without prior notification to and approval by the House and Senate Committees on Appropriations. In addition, unless otherwise directed, the Agricultural Research Service shall implement unspecified reductions necessary to carry out the provisions of this bill in accordance with the definitions contained in the "Program, project, and activity" section of this report.

BUILDINGS AND FACILITIES

Appropriations, 1995	\$43,718,000
Budget estimate, 1996	30,200,000
House allowance	30,200,000
Committee recommendation	30,200,000

The ARS "Buildings and facilities" account was established for the acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or used by, the Agricultural Research Service. Routine construction or replacement items continue to be funded under the limitations contained in the regular account.

COMMITTEE RECOMMENDATIONS

For buildings and facilities owned and operated by the Agricultural Research Service, the Committee recommends an appropriation of \$30,200,000. This is the same as the budget estimate and the House level, and \$13,518,000 less than the amount provided in 1995. These funds shall remain available until expended. The following table shows the Committee's provisions:

ARS BUILDINGS AND FACILITIES

[In thousands of dollars]

State and facility	Fiscal year 1995 enacted	Fiscal year 1996 budget estimate	House allowance	Committee recommendation
Arizona: Water Conservation Laboratory and Western Cotton Research Laboratory, Maricopa	396	.....	.....	.....
Arkansas: National Rice Research Center, Stuttgart	4,752	.....	.....	1,000
California:				
Horticulture Crops Research Laboratory, Parlier	2,630	.....	.....	.....

ARS BUILDINGS AND FACILITIES—Continued

(In thousands of dollars)

State and facility	Fiscal year 1995 enacted	Fiscal year 1996 budget estimate	House allowance	Committee recommendation
Western Regional Research Center, Albany	919	.....	.....	.....
Florida: Horticultural Research Laboratory, Fort Pierce	2,900	.....	1,500	1,500
France: European Biological Control Laboratory, Montpellier .....	.....	2,600	2,600	.....
Illinois: National Center for Agricultural Utilization Research, Peoria .....	.....	11,700	9,700	4,900
Iowa: National Swine Research Facility, Ames	6,259	.....	.....	.....
Kansas: Grain Marketing Research Laboratory, Manhattan	950	.....	.....	.....
Louisiana: Southern Regional Research Center, New Orleans	2,934	900	900	900
Maryland: Agricultural Research Center, Beltsville	3,960	10,000	8,000	8,000
Mississippi:				
National Center for Natural Products, Oxford	3,578	.....	.....	1,500
National Center for Warmwater Aquaculture, Stoneville	1,747	.....	.....	1,900
New York: Plum Island Animal Disease Center, Greenport	1,168	5,000	5,000	5,000
South Carolina: U.S. Vegetable Laboratory, Charleston	5,544	.....	.....	4,000
Texas:				
Plant Stress and Water Conservation Laboratory, Lubbock	1,051	.....	1,500	1,500
Subtropical Agricultural Research Laboratory, Weslaco	3,009	.....	1,000	.....
West Virginia: National Center for Coldwater Aquaculture	1,921	.....	.....	.....
Total	43,718	30,200	30,200	30,200

The Committee makes available \$1,000,000 for unanticipated costs necessary to complete the Rice Germplasm Laboratory in Stuttgart, AR. ARS is directed to apply any unused portion of this amount to other high priority projects.

The Committee is aware that some research proposed for the Fort Pierce, FL, laboratory is being conducted at Charleston, SC, and Miami, FL, laboratories. Given this, the ARS should reconsider the proposed size, scientific capacity, and mission of the Fort Pierce laboratory. It is expected that research in the fields of production competitiveness; pest management; and harvesting and postharvesting techniques for vegetable, citrus, nursery, and ornamental crops, will be conducted at the Fort Pierce laboratory. This will permit ARS to better serve the needs of the growing horticultural industries throughout Florida and the Southeast. Moreover, Florida's unique subtropical climate and close proximity to Mexico, South America, and Central America require new technologies to control exotic pest introductions.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

The Cooperative State Research, Education, and Extension Service was established by the Secretary of Agriculture on October 1, 1994, under the authority of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6912). The Service was created by the merger of the Cooperative State Research Service and Extension Service. The mission is to work with university partners to advance research, extension, and higher education in the food and agricultural sciences and related environmental and human sciences to benefit people, communities, and the Nation.

RESEARCH AND EDUCATION

Appropriations, 1995 ¹	² \$432,387,000
Budget estimate, 1996	432,212,000
House allowance	389,172,000
Committee recommendation	418,172,000

¹ Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated for the EEO counseling function are excluded. These funds are included with the Office of Civil Rights Enforcement under the departmental administration appropriation. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$432,380,000.

² Reflects enacted rescission of \$1,051,000.

The research and education programs administered by the Cooperative State Research, Education, and Extension Service [CSREES] are the U.S. Department of Agriculture's principal entree to the university system of the United States for the purpose of conducting agricultural research as authorized by the Hatch Act of 1887, as amended (7 U.S.C. 361a-361i); the Cooperative Forestry Research Act of 1962, as amended (16 U.S.C. 582a-7); Public Law 89-106, section (2), as amended (7 U.S.C. 450i); and the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3101 et seq.). Through these authorities, the U.S. Department of Agriculture participates with State and other sources of funding to encourage and assist the State institutions in the conduct of agricultural research through the State agricultural experiment stations of the 50 States, the District of Columbia, and the territories; by approved schools of forestry; by the 1890 land-grant institutions and Tuskegee University; by colleges of veterinary medicine; and by other eligible institutions.

The research and education programs participate in a nationwide system of agricultural research program planning and coordination among the State institutions, U.S. Department of Agriculture, and the agricultural industry of America.

COMMITTEE RECOMMENDATIONS

The following table summarizes the Committee's recommendations for research and education activities of the Cooperative State Research, Education, and Extension Service:

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE [CSREES]—RESEARCH AND
EDUCATION ACTIVITIES

[In thousands of dollars]

	1995 appropriation	1996 budget	House allowance	Committee recommen- dation
Payments under Hatch Act	171,304	171,304	166,165	171,304
Cooperative forestry research (McIntire-Stennis) ..	20,809	20,809	20,185	20,809
Payments to 1890 colleges and Tuskegee	28,157	28,157	27,313	28,157
Special research grants (Public Law 89-106):				
Aflatoxin (Illinois)	113	.....	113	113
Agricultural diversification (Hawaii)	131	.....	.....	131
Agricultural management systems (Massa- chusetts)	221	.....	.....	221
Alfalfa (Kansas)	106	.....	106	106
Alliance for food protection (Nebraska, Georgia) .....	.....	.....	300	.....
Alternative cropping systems (Southeast)	235	.....	.....	235
Alternative crops (North Dakota)	592	.....	.....	550
Alternative crops for arid lands (Texas)	85	.....	85	.....
Alternative marine and fresh water species (Mississippi)	308	.....	.....	308
Alternative pest control (Arkansas)	1,184	.....	.....	.....
Alternatives to pesticides and critical issues .....	.....	5,000	2,000	.....
Aquaculture (Connecticut)	181	.....	181	.....
Aquaculture (Illinois)	169	.....	169	169
Aquaculture (Louisiana)	330	.....	330	330
Aquaculture (Mississippi)	592	.....	.....	592
Aquatic food safety and quality (Florida)	181	.....	.....	.....
Asian products laboratory (Oregon)	212	.....	.....	212
Babcock Institute (Wisconsin)	312	.....	.....	312
Barley feed for rangeland cattle (Mon- tana) .....	.....	.....	.....	250
Beef fat content (Iowa)	201	.....	.....	.....
Biodiesel research (Missouri)	152	.....	.....	152
Biotechnology (Oregon) .....	.....	.....	.....	217
Broom snakeweed (New Mexico)	169	.....	169	169
Canola (Kansas)	85	.....	85	85
Center for Animal Health and Productivity (Pennsylvania)	113	.....	113	.....
Center for Innovative Food Technology (Ohio)	181	.....	181	.....
Center for Rural Studies (Vermont)	32	.....	.....	32
Chesapeake Bay aquaculture	370	.....	370	370
Competitiveness of agricultural products (Washington)	677	.....	500	677
Cool season legume research (Idaho, Wash- ington)	103	.....	103	329
Cranberry/blueberry disease and breeding (New Jersey)	220	.....	.....	220
CRP acreage usage (Missouri)	52	.....	.....	.....
Dairy and meat goat research (Texas)	63	.....	63	63
Delta rural revitalization (Mississippi)	148	.....	.....	148
Developing peas and lentils for residue to meet SCS standards (Washington)	226	.....	.....	.....
Dried bean (North Dakota)	85	.....	85	85
Drought mitigation (Nebraska)	200	.....	200	200
Energy biomass/biofuels .....	.....	750	.....	.....

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE [CSREES]—RESEARCH AND EDUCATION ACTIVITIES—Continued

[In thousands of dollars]

	1995 appropriation	1996 budget	House allowance	Committee recommen- dation
Environmental research (New York)	486	.....	486	.....
Expanded wheat pasture (Oklahoma)	285	.....	.....	285
Farm and rural business finance (Arkansas, Illinois)	106	.....	.....	106
Floriculture (Hawaii)	250	.....	.....	250
Food and Agriculture Policy Institute (Iowa, Missouri)	850	.....	850	850
Food irradiation (Iowa)	201	.....	.....	201
Food Marketing Policy Center (Connecti- cut)	332	.....	332	332
Food Processing Center (Nebraska)	42	.....	.....	42
Food safety consortium (Arkansas, Kansas, Iowa)	1,743	.....	1,743	1,743
Food Systems Research Group (Wiscon- sin)	221	.....	221	221
Forestry (Arkansas)	523	.....	.....	523
Fruit and vegetable market analysis (Ari- zona, Missouri)	296	.....	296	.....
Generic commodity promotion research, and evaluation (New York)	212	.....	212	.....
Global change ¹ .....	.....	3,500	1,625	1,615
Global marketing support service (Arkan- sas)	92	.....	.....	92
Grass seed cropping systems for a sustain- able agriculture (Washington, Oregon, Idaho)	423	.....	423	423
Great Plains Agricultural Policy Center (Oklahoma)	42	.....	.....	.....
Human nutrition (Arkansas) .....	.....	.....	425	.....
Human nutrition (Iowa)	473	.....	.....	473
Human nutrition (Louisiana)	752	.....	752	752
Human nutrition (New York)	622	.....	622	.....
Illinois-Missouri Alliance for Biotechnol- ogy	1,357	.....	1,357	1,357
Improved dairy management practices (Pennsylvania)	296	.....	296	.....
Improved fruit practices (Michigan)	445	.....	445	445
Institute for Food Science and Engineering (Arkansas) .....	.....	.....	.....	1,184
Integrated production systems (Oklahoma) .	161	.....	.....	161
International arid lands consortium	329	.....	329	.....
Iowa biotechnology consortium	1,792	.....	.....	1,792
Jointed goatgrass (Washington)	296	.....	296	296
Landscaping for water quality (Georgia) ....	.....	.....	300	.....
Livestock and dairy policy (New York, Tex- as)	445	.....	445	445
Lowbush blueberry research (Maine)	220	.....	.....	220
Low-input agriculture (Minnesota)	195	.....	.....	.....
Maple research (Vermont)	84	.....	.....	84
Michigan Biotechnology Institute	1,995	.....	1,000	.....
Midwest Advanced Food Manufacturing Alli- ance	423	.....	423	423

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE [CSREES]—RESEARCH AND EDUCATION ACTIVITIES—Continued

(In thousands of dollars)

	1995 appropriation	1996 budget	House allowance	Committee recommen- dation
Midwest agricultural products (Iowa)	592	.....	.....	592
Midwest feeds consortium	423	.....	.....	.....
Milk safety (Pennsylvania)	268	.....	.....	268
Minor use animal drugs (IR-4) ¹ .....	.....	550	550	550
Molluscan shellfish (Oregon)	250	.....	.....	300
Multicommodity research (Oregon)	364	.....	.....	364
Multicropping strategies for aquaculture (Hawaii)	127	.....	.....	127
National biological impact assessment	254	300	254	.....
Navajo Nation conservation (Arizona)	91	.....	.....	.....
Nematode resistance genetic engineering (New Mexico)	127	.....	127	127
Nonfood uses of agricultural products (Ne- braska)	93	.....	.....	64
North central biotechnology initiative	2,000	.....	2,000	.....
Oil resources from desert plants (New Mex- ico)	169	.....	169	169
Oregon-Massachusetts-Pennsylvania bio- technology ² .....	.....	.....	.....	.....
Organic waste utilization (New Mexico) .....	.....	.....	150	.....
Peach tree short life (South Carolina)	162	.....	.....	162
Perishable commodities (Georgia)	212	.....	.....	.....
Pest control alternatives (South Carolina) ...	106	.....	.....	106
Pesticide research (Washington)	115	.....	.....	.....
Phytophthora root rot (New Mexico)	127	.....	127	127
Preharvest food safety (Kansas) .....	.....	.....	.....	212
Potato research	1,214	.....	638	1,214
Preservation and processing research (Okla- homa)	226	.....	.....	226
Procerum root disease (Virginia)	22	.....	.....	.....
Product Development and Marketing Center (Maine)	360	.....	.....	.....
Red River corridor (Minnesota, North Da- kota)	169	.....	169	169
Regional barley gene mapping project	348	.....	348	348
Regionalized implications of farm programs (Missouri, Texas)	294	.....	294	294
Rural development centers (Pennsylvania, Iowa, North Dakota, Mississippi, Ore- gon)	423	450	400	423
Rural environmental research (Illinois)	90	.....	.....	.....
Rural housing needs (Nebraska)	68	.....	.....	.....
Rural Policies Research Institute (Nebraska, Missouri)	644	.....	322	644
Russian wheat aphid (Washington, Oregon, Idaho, California, Colorado)	455	.....	.....	455
Seafood and aquaculture harvesting, proc- essing, and marketing (Mississippi)	305	.....	.....	305
Seafood research (Oregon)	275	.....	.....	.....
Small fruit research (Oregon, Washington, Idaho)	212	.....	212	212
Soil and water (Ohio)	169	.....	.....	.....

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE [CSREES]—RESEARCH AND EDUCATION ACTIVITIES—Continued

(In thousands of dollars)

	1995 appropriation	1996 budget	House allowance	Committee recommen- dation
Southwest consortium for plant genetics and water resources	338	.....	338	338
Soybean bioprocessing (Iowa)	277	.....	.....	.....
Soybean cyst nematode (Missouri)	303	.....	303	303
STEEP—water quality in Northwest	829	.....	500	829
Sunflower insects (North Dakota)	127	.....	.....	127
Sustainable agriculture (Michigan)	445	.....	445	445
Sustainable agriculture and natural re- sources (Pennsylvania)	94	.....	.....	94
Sustainable agriculture systems (Nebras- ka)	59	.....	.....	59
Swine research (Minnesota)	119	.....	.....	.....
Taxol cultivation (Connecticut)	42	.....	.....	.....
Tillage, silviculture, waste management (Louisiana)	212	.....	212	212
Tropical and subtropical	2,809	.....	2,809	2,809
Urban pests (Georgia)	64	.....	64	.....
Value-added wheat (Kansas)	212	.....	.....	.....
Viticulture consortium (New York, Califor- nia) .....	.....	.....	500	.....
Waste utilization (North Carolina)	373	.....	.....	.....
Water conservation (Kansas)	79	.....	79	79
Water management (Alabama)	337	.....	.....	.....
Water quality ¹ .....	.....	4,500	2,500	2,757
Weed control (North Dakota)	423	.....	.....	423
Wheat genetic (Kansas)	176	.....	177	176
Wood utilization (Oregon, Mississippi, Min- nesota, North Carolina, Maine, Michi- gan)	3,758	.....	.....	3,758
Wool (Texas, Montana, Wyoming)	212	.....	212	212
Total, special research grants	46,060	15,050	31,930	40,670
Improved pest control:				
Integrated pest management ¹ .....	.....	7,000	3,093	2,731
Pesticide clearance (IR-4)	5,711	15,000	6,711	5,711
Pesticide impact assessment ¹ .....	.....	2,968	1,795	1,327
Total, improved pest control	5,711	24,968	11,599	9,769
Competitive research grants:				
Plant systems	37,000	47,000	37,355	37,000
Animal systems	23,125	29,500	24,125	23,750
Nutrition, food quality, and health	7,400	11,000	7,400	7,400
Natural resources and the environment	16,650	27,000	17,650	20,497
Processes and new products	6,935	9,000	6,935	6,935
Markets, trade, and policy	3,700	6,500	4,700	4,000
Water quality	4,708	.....	.....	.....
Integrated pest management and biocon- trol	2,310	.....	.....	.....
Pesticide impact assessment	1,295	.....	.....	.....

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE [CSREES]—RESEARCH AND
EDUCATION ACTIVITIES—Continued

[In thousands of dollars]

	1995 appropriation	1996 budget	House allowance	Committee recommen- dation
Total, competitive research grants	103,123	130,000	98,165	99,582
Animal health and disease (sec. 1433)	5,551	5,551	5,051	5,551
Critical Agricultural Materials Act	500	.....	.....	500
Aquaculture centers (sec. 1475)	4,000	4,333	4,000	4,000
Rangeland research grants (sec. 1480)	475	475	475	475
Grants and contracts ³	8,990	.....	.....	.....
Alternative crops ⁴	1,318	.....	500	500
Low-input agriculture	8,112	9,500	8,000	8,112
Higher education ²	8,850	7,500	8,850	8,850
Capacity building grants .....	.....	10,550	.....	9,207
Native American institutions .....	.....	(4,600)	(4,600)	(4,600)
Advanced materials .....	.....	2,250	650	.....
Federal administration:				
1890 capacity building	9,207	.....	.....	.....
Agricultural biotechnology	349	400	.....	349
Agriculture development in the American Pacific	564	.....	564	564
Alternative fuels characterization laboratory (North Dakota)	218	.....	.....	218
American Indian initiative/arid lands devel- opment fund ² .....	.....	.....	.....	.....
Center for Agricultural and Rural Develop- ment (Iowa)	655	.....	.....	655
Center for North American Studies (Tex- as)	87	.....	87	87
Geographic information system	939	.....	.....	939
Herd management (Tennessee)	535	.....	.....	535
Mississippi Valley State University	583	.....	.....	583
National Potato Trade and Tariff Associa- tion ² .....	.....	.....	.....	.....
Office of Grants and Program Systems	292	314	314	314
Pay costs and FERS	480	551	451	551
Peer panels	227	500	300	350
PM-10 study (Washington, California)	873	.....	873	873
Rural partnership (Nebraska) .....	.....	.....	.....	250
Shrimp aquaculture (Hawaii, Mississippi, Arizona, Massachusetts, South Caro- lina)	3,054	.....	3,000	3,054
Vocational aquaculture education	436	.....	.....	436
Water quality (Illinois)	492	.....	700	492
Water quality (North Dakota)	436	.....	.....	436
Total, Federal administration	19,427	1,765	6,289	10,686
Total, Cooperative State Research, Edu- cation, and Extension Service, re- search and education activities	432,387	432,212	389,172	418,172

¹Included in grants and contracts for fiscal year 1995.

²Fiscal year 1995 funding rescinded by Public Law 104-19.

³For fiscal year 1995, includes \$1,625,000 for global change; \$550,000 for minor use animal drugs; \$1,327,000 for pesticide impact assessment; \$2,757,000 for water quality; and \$2,731,000 for integrated pest management.

⁴Fiscal year 1995 includes \$500,000 for canola; \$150,000 for hesperaloe; and \$668,000 for guayule.

Special research grants under Public Law 89-106.—The Committee recommends a total of \$40,670,000. Specifics of individual grant allowances are included in the table above. Special items are discussed below.

Aquaculture (Stoneville).—Of the \$592,000 provided for this grant, the Committee recommends at least \$90,000 for continued studies of the use of acoustics in aquaculture research to be conducted by the National Center for Physical Acoustics in cooperation with the Mississippi Agriculture and Forestry Experiment Station [MAFES] and the Delta Research and Extension Center in Stoneville.

Global change.—The Committee supports continued funding at no more than the fiscal year 1995 level for the University of Missouri's climate and weather risk for agriculture project.

Competitive research grants.—The Committee supports the National Research Initiative Competitive Grants Program [NRI] and recommends funding of \$99,582,000.

The Committee remains determined to see that quality research and enhanced human resources development in the agricultural and related sciences be a nationwide commitment. Therefore, the Committee continues its direction that 10 percent of the competitive research grant funds be used for a USDA experimental program to stimulate competitive research [USDA-EPSCoR].

Alternative crops.—The Committee recommends \$500,000 for alternative crop research to continue research on canola.

Sustainable agriculture.—The Committee recommends \$8,112,000 for sustainable agriculture.

The Committee supports the application of sustainable principles to the fragile ecosystems in Hawaii and the American Pacific and expects the Sustainable Agriculture Research and Education [SARE] Program to consider tropical agriculture and forestry proposals from the American Pacific region. Within available funds, the Committee expects SARE to fund those proposals judged meritorious when subjected to the established review process.

Higher education.—The Committee recommends \$8,850,000 for higher education. The Committee concurs with the House in providing \$3,500,000 for graduate fellowships, \$4,350,000 for challenge grants, and \$1,000,000 for minority scholarships. Of the funds appropriated for the Challenge Grants Program, the Committee directs that \$150,000 be made available to support the continuing operations of the food and agricultural education information system [FAEIS].

Federal administration.—The Committee provides \$10,686,000 for Federal administration. The Committee's specific recommendations are reflected in the table above.

For the geographic information system program, the Committee recommends \$939,000, the same as the 1995 level. The Committee recommends the same amounts as in 1995 for each of the participating entities in Georgia, the Chesapeake Bay, Arkansas, North Dakota, Washington, and Wisconsin. Also, it is expected that program management costs will be kept to a minimum and any remaining funds will be distributed to the sites.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

Appropriations, 1995	
Budget estimate, 1996	(\$4,600,000)
House allowance	(4,600,000)
Committee recommendation	(4,600,000)

The Native American Institutions Endowment Fund authorized by Public Law 103-382 provides the first installment to establish an endowment for the 1994 land-grant institutions (29 tribally controlled colleges). This program will enhance educational opportunity for Native Americans by building educational capacity at these institutions in the areas of student recruitment and retention, curricula development, faculty preparation, instruction delivery systems, and scientific instrumentation for teaching. On the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows: 60 percent of the adjusted income from these funds shall be distributed among the 1994 land-grant institutions on a pro rata basis, the proportionate share being based on the Indian student count; and 40 percent of the adjusted income shall be distributed in equal shares to the 1994 land-grant institutions.

COMMITTEE RECOMMENDATIONS

For the Native American Institutions Endowment Fund, the Committee recommends \$4,600,000, the same as the budget request and the House level. This is a newly authorized fund. No appropriation was provided for fiscal year 1995.

BUILDINGS AND FACILITIES

Appropriations, 1995	¹ \$60,983,000
Budget estimate, 1996	
House allowance	
Committee recommendation	57,838,000

¹ Reflects enacted rescission of \$1,761,000.

The CSREES "Buildings and facilities" account was established for the acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities which directly or indirectly support research and extension programs of the Department.

COMMITTEE RECOMMENDATIONS

For buildings and facilities, the Committee recommends an appropriation of \$57,838,000. This amount is \$57,838,000 more than the House level and the budget estimate, and \$3,145,000 less than the 1995 amount.

The following table summarizes the Committee's provisions:

BUILDINGS AND FACILITIES

(In thousands of dollars)

State and facility	1995 appropriation	1996 request	House allowance	Committee rec- ommendation
Alabama: Poultry science facility, Auburn University	1 522	.....	.....	1,338
Arkansas:				
Agriculture building, University of Arkansas	2,332	.....	.....	.....
Alternative Pest Control Center, Carnall Hall	946	.....	.....	1,000
California: Alternative Pest Control Containment and Quarantine Facility, University of California	1,893	.....	.....	1,876
Colorado: Animal Reproduction and Biotechnology Laboratory, Colorado State University	1,231	.....	.....	.....
Connecticut:				
Agricultural biotechnology building, University of Connecticut	568	.....	.....	1,347
Chemistry building, Connecticut Agricultural Experiment Station	(1)	.....	.....	.....
Delaware: Poultry Biocontainment Laboratory	1,420	.....	.....	1,751
Florida: Aquatic research facility, University of Florida	(1)	.....	.....	1,500
Georgia: Biocontainment Research Center, University of Georgia, Athens	2,396	.....	.....	.....
Hawaii: Center for Applied Aquaculture	1,495	.....	.....	.....
Idaho: Biotechnology facility, University of Idaho	(2)	.....	.....	1,181
Illinois:				
Biotechnology Center, Northwestern University	3,218	.....	.....	1,366
Science facility, DePaul University	1 435	.....	.....	.....
Kentucky: Applied Research and Manpower Training Center	897	.....	.....	.....
Louisiana: Southeast research station, Franklinton	(1)	.....	.....	1,280
Maryland: Institute for Natural Resources and Environmental Science, University of Maryland	1,893	.....	.....	2,288
Massachusetts: Center for Hunger, Poverty, Nutrition, and Policy, Tufts University	2,461	.....	.....	1,641
Mississippi:				
Center for Water and Wetland Resources, University of Mississippi ..	1,420	.....	.....	1,555
National Food Service Management Institute	(1)	.....	.....	3,000
Missouri: Center for Plant Biodiversity, St. Louis	757	.....	.....	3,995
Montana: Bioscience Research Laboratory, Montana State University	2,608	.....	.....	.....
Nevada: Great Basin Environmental Research Laboratory, University of Nevada ..	(1)	.....	.....	.....
New Jersey: Plant bioscience facility, Rutgers University	3,785	.....	.....	2,262

BUILDINGS AND FACILITIES—Continued

(In thousands of dollars)

State and facility	1995 appropriation	1996 request	House allowance	Committee rec- ommendation
New Mexico: Center for Arid Land Studies, New Mexico State University	1,420	.....	.....	1,464
New York: New York Botanical Garden	3,785	.....	.....	1,665
North Carolina: Bowman-Gray Center, Wake Forest	2,672	.....	.....	3,000
North Dakota: Institute for Agriculture and Rural Health Research Development, Minot State University	2,600	.....	.....	.....
Ohio: Lake Erie Soil and Water Research and Education Center	229	.....	.....	.....
Oklahoma:				
Beef cattle research facility	375	.....	.....	.....
Grain Storage Research and Extension Center, Oklahoma State University	(1)	.....	.....	495
Oregon:				
Forest Ecosystem Research Laboratory, Oregon State University	(1)	.....	.....	5,000
Regional Food Innovation Center	2,397	.....	.....	.....
Pennsylvania: Center for Food Marketing, St. Joseph's University	2,366	.....	.....	2,438
Rhode Island: Coastal Institute on Narragauset Bay, University of Rhode Is- land	2,702	.....	.....	3,854
South Dakota: Animal resource wing, South Dakota State University	(1)	.....	.....	2,700
Tennessee:				
Agriculture, biological, and environ- mental research complex, Univer- sity of Tennessee	2,366	.....	.....	1,928
Horse Science and Teaching Center, Middle Tennessee State Univer- sity	(1)	.....	.....	.....
Nursery crop research station, Ten- nessee State University	88	.....	.....	.....
Texas:				
Southern crop improvement, Texas A&M	508	.....	.....	1,400
Biocontainment facility, Texas A&M	(1)	.....	.....	.....
Utah: Biotechnology Laboratory, Utah State University	387	.....	.....	.....
Vermont: Rural Community Interactive Learning Center, University of Vermont ...	(1)	.....	.....	2,000
Washington:				
Animal disease biotechnology facility, Washington State University	4,172	.....	.....	1,263
Wheat research facility, Washington State University	1,426	.....	.....	3,251
Wisconsin: College of Natural Resources, University of Wisconsin, Stevens Point ...	2,761	.....	.....	.....
Wyoming: Environmental simulation facility, University of Wyoming	1,182	.....	.....	.....
Miscellaneous: Fund for feasibility stud- ies	270	.....	.....	.....

BUILDINGS AND FACILITIES—Continued

(In thousands of dollars)

State and facility	1995 appropriation	1996 request	House allowance	Committee rec- ommendation
Total, CSRS construction	60,983	.....	.....	57,838

¹ Feasibility study requested.² Funding of \$1,761,000 rescinded by Public Law 104-19.

Facilities funded by this appropriation shall be based on a matching formula of not to exceed 50 percent Federal and not less than 50 percent non-Federal funding, including amounts received from private sources and from local units of government. Matching requirements shall be based on cash rather than in-kind contributions for any facility, except a facility which received initial funding prior to fiscal year 1994. Construction of such facilities shall be based on a firm indication of local support, including a commitment for paying all operating costs (including the total research program) of the facility. Institutions must document availability of all non-Federal matching funds prior to the release of Federal funds. Further, the research programs to be carried out at these facilities shall be complimentary to the overall programs of the Department of Agriculture.

The Committee notes that its recommendation will complete the Federal matching share for 10 facilities initiated under this program. This will avoid potential additional Federal costs from deferred funding of these projects. The Committee has provided \$1,000,000 for the final phase of the Carnall Hall project at the University of Arkansas. Due to budgetary constraints, the funds provided for this project may be redirected to complete another project initiated under this program at the University of Arkansas, if that project is determined to be of higher priority.

EXTENSION ACTIVITIES

Appropriations, 1995 ¹	\$438,744,000
Budget estimate, 1996	437,552,000
House allowance	413,257,000
Committee recommendation	437,131,000

¹ Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated for the EEO counseling function are excluded. These funds are included with the Office of Civil Rights Enforcement under the departmental administration appropriation. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$438,737,000.

Cooperative extension work was established by the Smith-Lever Act of May 8, 1914, as amended. Legislation authorizes the Department of Agriculture to provide, through the land-grant colleges, cooperative extension work that consists of the development of practical applications of research knowledge and the giving of instruction and practical demonstrations of existing or improved practices or technologies in agriculture, uses of solar energy with respect to agriculture, home economics, related subjects, and to encourage the application of such information by demonstrations, publications, through 4-H clubs, and other means to persons not attending or resident in the colleges.

To fulfill the requirements of the Smith-Lever Act, State and county extension offices in each State, the District of Columbia,

Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Marianas, and Micronesia conduct educational programs to improve American agriculture and strengthen the Nation's families and communities.

COMMITTEE RECOMMENDATIONS

For extension activities of the Cooperative State Research, Education, and Extension Service, the Committee recommends an appropriation of \$437,131,000. This amount is \$23,874,000 more than the House level, \$1,613,000 less than the amount provided for 1995, and \$421,000 less than the budget estimate.

The following table summarizes Committee action on extension activities:

EXTENSION ACTIVITIES—FISCAL YEAR 1996 CONGRESSIONAL ACTION

[In thousands of dollars]

	Fiscal year 1995 enacted	Fiscal year 1996 budget	House allowance	Committee recommendation
Smith-Lever sections 3(b) and 3(c)	272,582	272,582	264,405	272,582
Smith-Lever section 3(d):				
Food safety	2,475	2,475	2,400	2,475
Youth at risk	10,000	10,000	9,700	10,000
Water quality	11,234	11,234	10,897	11,234
Food and nutrition education	61,431	61,431	59,588	61,431
Pesticide applicator training		2,000		
Pest management	10,947	15,000	10,947	10,947
Farm safety	2,988	988	2,898	2,988
Pesticide impact assessment	3,363	3,363	3,363	3,363
Rural development centers	950	950	921	950
Indian reservation agents	1,750	1,750	1,697	1,750
Nutrition education initiative	4,265	4,265		4,265
Sustainable agriculture	3,463	4,963	3,463	3,463
Renewable Resources Extension Act	3,341	3,341	3,241	3,341
1890 colleges and Tuskegee	25,472	26,236	24,708	25,472
1890's facilities grants	7,901	7,901	7,664	7,901
Agricultural communications	1,221	1,221	1,184	1,221
Rural health and safety education	2,750	2,750		2,750
Subtotal	426,133	432,450	407,076	426,133
Federal administration and special grants:				
General administration	5,241	5,102	4,924	5,102
Agricultural plastics (Vermont)	100			
Beef producers improvement (Arkansas) .	200			200
Chinch bug/Russian wheat aphid (Ne- braska)	67			
Cranberry development (Maine)	50			
Delta Teachers Academy	3,935			3,935
Extension specialist (Arkansas)	100			100
Income enhancement demonstration (Ohio)	250		243	
Integrated cow/calf management (Iowa) .	350			350
Pilot technology project (Wisconsin)	165		160	
Pilot technology transfer (Oklahoma and Mississippi)	331			331
Range improvement (New Mexico)	200		194	

EXTENSION ACTIVITIES—FISCAL YEAR 1996 CONGRESSIONAL ACTION—Continued

(In thousands of dollars)

	Fiscal year 1995 enacted	Fiscal year 1996 budget	House allowance	Committee recommendation
Rural Center for HIV/STD Prevention (Indiana)	250	.....	243	.....
Rural development (Nebraska)	392	.....	.....	200
Rural development (New Mexico)	230	.....	223	230
Rural development (Oklahoma)	300	.....	.....	300
Rural rehabilitation (Georgia)	250	.....	.....	250
Wood biomass as an alternative farm product (New York)	200	.....	194	.....
Subtotal, Federal administration	12,611	5,102	6,181	10,998
Total, Extension Service	438,744	437,552	413,257	437,131

The Committee recommends \$3,463,000 for sustainable agricultural activities authorized by sections 1628 and 1629 of the 1990 farm bill. The Committee expects all funds to be awarded through competition open to all entities with demonstrable expertise.

The Committee recommends \$2,750,000, the same as the fiscal year 1995 level and budget request, for rural health and safety education. Included in this amount is \$2,250,000 for the ongoing rural health program in Mississippi to train health care professionals to serve in rural areas, and \$500,000 for the ongoing rural health and outreach initiative in Louisiana.

Of the funds recommended for farm safety, the Committee includes \$2,000,000 for the Agrability project being carried out in cooperation with the National Easter Seal Society.

OFFICE OF ASSISTANT SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

Appropriations, 1995	\$605,000
Budget estimate, 1996	¹ 625,000
House allowance	605,000
Committee recommendation	605,000

¹The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Assistant Secretary for Marketing and Regulatory Programs provides direction and coordination in carrying out laws enacted by the Congress with respect to the Department's marketing, grading, and standardization related to grain; competitive marketing practices of livestock, marketing orders, and various programs; veterinary services; and plant protection and quarantine. The Office has oversight and management responsibilities for the Animal and Plant Health Inspection Service; Agricultural Marketing Service; and Grain Inspection, Packers and Stockyards Administration.

COMMITTEE RECOMMENDATIONS

For the Office of the Assistant Secretary for Marketing and Regulatory Programs, the Committee recommends an appropriation of

\$605,000. This is \$20,000 less than the budget request, and the same as the House and 1995 levels.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
SALARIES AND EXPENSES

	Appropriations	User fees	Total
Appropriations, 1995 ¹	\$346,991,000	(\$96,660,000)	(\$443,651,000)
Budget estimate, 1996	330,025,000	(100,254,000)	(430,279,000)
House allowance	333,410,000	(100,254,000)	(433,664,000)
Committee recommendation	329,125,000	(100,254,000)	(429,379,000)

¹ Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated for preharvest pathogen reduction and salmonella enteritidis are excluded. These funds are included under the "Food Safety and Inspection Service" account. Funds appropriated for civil rights enforcement are excluded. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$340,496,000.

The Animal and Plant Health Inspection Service [APHIS] was established by the Secretary of Agriculture on April 2, 1972, under the authority of Reorganization Plan No. 2 of 1953, and other authorities. The major objectives of APHIS are to protect the animal and plant resources of the Nation from diseases and pests. These objectives are carried out under the major areas of activity, as follows:

Pest and disease exclusion.—The Agency conducts inspection and quarantine activities at U.S. ports of entry to prevent the introduction of exotic animal and plant diseases and pests. The Agency also participates in inspection, survey, and control activities in foreign countries to reinforce its domestic activities.

Agricultural quarantine inspection.—User fees are collected to cover the cost of inspection and quarantine activities at U.S. ports of entry to prevent the introduction of exotic animal and plant diseases and pests.

Plant and animal health monitoring.—The Agency conducts programs to assess animal and plant health and to detect endemic and exotic diseases and pests.

Pest and disease management programs.—The Agency carries out programs to control and eradicate pest infestations and animal diseases that threaten the United States; reduce agricultural losses caused by predatory animals, birds, and rodents; provide technical assistance to other cooperators such as States, counties, farmer or rancher groups, and foundations; and ensure compliance with interstate movement and other disease control regulations within the jurisdiction of the Agency.

Animal care.—The Agency conducts regulatory activities which ensure the humane care and treatment of animals and horses as required by the Animal Welfare and Horse Protection Acts. These activities include inspection of certain establishments which handle animals intended for research, exhibition, and as pets, and monitoring of certain horse shows.

Scientific and technical services.—The Agency performs other regulatory activities, including the development of standards for the licensing and testing of veterinary biologicals to ensure their safety and effectiveness; diagnostic activities in support of the control and eradication programs in other functional components; ap-

plied research aimed at reducing economic damage from vertebrate animals; development of new pest and animal damage control methods and tools; and regulatory oversight of genetically engineered products.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Animal and Plant Health Service, the Committee recommends total funding of \$429,379,000. This is \$900,000 less than the budget request, \$14,272,000 less than the 1995 appropriation, and \$4,285,000 less than the House level.

The following table reflects the Committee's specific recommendations for the Animal Plant Health Inspection Service:

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	Fiscal year 1995 approp- riations	Fiscal year 1996 budget	House allowance	Committee recommenda- tion
Pest and disease exclusion:				
Agricultural quarantine inspection	25,410	24,914	24,914	24,914
User fees	96,660	100,254	100,254	100,254
Subtotal, agricultural quarantine in- spection	121,800	125,168	125,168	125,168
Foot-and-mouth disease	3,995	4,027	3,991	3,991
Import/export inspection	6,535	6,559	6,528	6,528
International programs	6,106	6,122	6,100	6,100
Mediterranean fruit fly exclusion	10,809	10,114	10,079	10,079
Mexican fruit fly exclusion	2,156	2,193	2,153	2,153
Screwworm	34,029	33,969	33,969	33,969
Total, pest and disease exclusion	184,710	188,152	187,988	187,988
Plant and animal health monitoring:				
Animal health monitoring and surveil- lance	59,381	59,276	59,276	59,276
Animal and plant health regulatory en- forcement	5,865	5,855	5,855	5,855
Fruit fly detection	3,923	3,937	3,919	3,923
Pest detection	4,206	4,586	4,202	4,206
Total, plant and health monitoring	73,375	73,654	73,252	73,260
Pest and disease management programs:				
Animal damage control operations	26,592	20,297	26,566	26,642
Aquaculture	493	413	413	493
Biocontrol	7,504	6,290	7,497	6,290
Boll weevil	18,084	11,016	18,066	18,084
Brucellosis eradication	27,781	21,580	24,663	21,580
Cattle ticks	4,578	3,837	3,837	4,537
Golden nematode	615	435	435	435
Grasshopper and mormon cricket		2,524		
Gypsy moth	5,177	4,367	4,367	4,367
Imported fire ant	1,500		1,000	1,000
Miscellaneous plant diseases	1,988	1,516	1,516	1,516
Noxious weeds	404	338	338	338
Pink bollworm	1,069	901	1,068	1,069

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

(In thousands of dollars)

	Fiscal year 1995 appro- priations	Fiscal year 1996 budget	House allowance	Committee recommenda- tion
Preharvest program	2,800			
Pseudorabies	4,543	2,863	4,543	4,543
Salmonella enteritidis	3,384			
Scrapie	2,969	2,172	2,967	2,172
Sweet potato whitefly	2,400	2,012	2,398	2,400
Tropical bont tick	537	452	537	452
Tuberculosis	5,499	4,609	4,609	4,609
Witchweed	1,975	1,663	1,663	1,663
Total, pest and disease management	119,892	87,285	106,483	102,190
Animal care:				
Animal welfare	9,262	9,185	9,185	9,185
Horse protection	362	363	362	362
Total, animal care	9,624	9,548	9,547	9,547
Scientific and technical services:				
Animal damage control methods develop- ment	9,681	9,665	9,665	9,665
Biotechnology/environmental protection	7,690	7,677	7,677	7,677
Integrated systems acquisition project	3,500	4,055	4,055	4,055
Plant methods development labs	5,059	5,084	5,053	5,053
Veterinary biologics	10,371	10,392	10,360	10,360
Veterinary diagnostics	14,811	14,785	14,785	14,785
Total, scientific and technical services ..	51,112	51,658	51,595	51,595
Contingency fund	4,938	19,982	4,799	4,799
Total, salaries and expenses	443,651	430,279	433,664	429,379

Agricultural quarantine inspection [AQI].—The Committee concurs with the House in including bill language proposed by the administration allowing amounts in the AQI “User fee” account to be available for authorized purposes without further appropriation in fiscal year 1996. The Committee expects that the availability of these additional funds will help to address staffing and equipment needs at major airports, including Florida and Hawaii. The Committee is concerned that preclearance inspection staffing shortages in San Juan, Puerto Rico, and Hawaii may threaten domestic agricultural production. The Committee encourages the Department to continue to ensure that pest risks from Puerto Rico and Hawaii are addressed.

The Committee encourages the Department to continue to explore new technologies for AQI inspection and to explore new staffing methods at high-volume inspection sites to maximize efficiency.

The Committee also encourages the Department to continue to seek procedural and/or treatment methods that allow for market expansion of Hawaiian agricultural products to the continental United States while negating pest risks to the mainland.

Animal damage control.—The Committee concurs with the House in encouraging cost sharing of control activities.

The Committee maintains funds for cattail management, for blackbird control, and for a cooperative agreement with the Hawaiian Sugar Planters Association for rodent control in sugarcane and macadamia nut crops. Funding is also included for continuation of a pilot program for blackbird control in Evangeline and Vermilion Parishes in Louisiana and the Committee encourages the program's expansion into Allen, Calcasieu, Cameron, Jeff Davis, Acadia, and St. Landry Parishes.

The Committee has included an increase of \$75,000 to help address the tremendous growth in the beaver population in Mississippi.

The Committee also includes funding to continue depredation efforts on fish-eating birds and other species which cause damage to the commercial fish industry in the Midsouth.

The Committee expects APHIS to maintain the Vermont animal damage control State office.

In addition, funding is included for the Jack H. Berryman Institute for Wildlife Damage Management.

Boll weevil.—Included in the total amount provided for the boll weevil eradication program, the Committee provides not less than \$400,000 to continue the geographic information system to prepare for future expansion of the program into remaining cotton production regions that have not eradicated the boll weevil. The technology developed through this system will be transferred to these regions as the program expands, reducing overall program costs.

The Committee is concerned that the failure of the Mexican Government to provide sufficient funds for boll weevil suppression activities in Mexico may diminish the effectiveness of boll weevil eradication efforts in south Texas. The Committee urges APHIS to investigate and report its recommendations to address this situation to the Committee.

Imported fire ant.—The Committee recommends \$200,000, the same as in 1995, for ongoing work at the University of Arkansas at Monticello for fire ant control methods and dissemination of information to the public.

Mexican avocados.—The Committee does not concur with House report language regarding the regulation of importation of Mexican avocados. The Department published regulations to address concerns about the protection of domestic avocado production after House action on this issue.

Noxious weeds.—The Committee encourages the Department to continue its efforts to eradicate *Orobanche ramosa* in Texas. The Department also is encouraged to continue its efforts to address outbreaks of tropical soda apple in the Southeast.

Preharvest program.—The Committee is aware of the work being done by the food animal production medicine consortium and expects the agency to coordinate its preharvest food safety efforts with the research being conducted by the consortium.

Tuberculosis.—The Committee recognizes the importance of the Bovine Tuberculosis Eradication Program administered by APHIS in preventing and confining additional outbreaks of bovine tuberculosis. Given the recent finding of bovine tuberculosis [TB] in a

heifer shipped to Wisconsin—an accredited TB-free State—the Committee expects APHIS to expeditiously isolate the source of this infection. APHIS should complete the epidemiology as soon as possible to determine the extent of further exposure or infection of additional animals in the State and conduct necessary eradication activities as necessary to maintain Wisconsin’s accredited TB-free status.

Horse protection.—The Committee concurs with the House in its expectation that USDA work with horse industry organizations to improve the enforcement of the Horse Protection Act by enhancing the regulatory responsibilities of the USDA-certified organizations. The Committee also expects APHIS to provide a report to the Committee regarding its progress in achieving this objectives and any associated savings to APHIS by February 1, 1996.

BUILDINGS AND FACILITIES

Appropriations, 1995	¹ \$4,973,000
Budget estimate, 1996	12,541,000
House allowance	12,541,000
Committee recommendation	4,973,000

¹ Reflects enacted rescission of \$2,000,000.

The APHIS appropriation “Buildings and facilities” funds major nonrecurring construction projects in support of specific program activities and recurring construction, alterations, preventive maintenance, and repairs of existing APHIS facilities.

COMMITTEE RECOMMENDATIONS

For buildings and facilities of the Animal and Plant Health Inspection Service, the Committee recommends an appropriation of \$4,973,000. This amount is the same as the 1995 appropriation, and \$7,568,000 less than the House and budget request levels.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

Appropriations, 1995 ¹	\$56,591,000
Budget estimate, 1996	50,607,000
House allowance	46,662,000
Committee recommendation	46,517,000

¹ Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated for egg products inspection are excluded. These funds are included under the “Food Safety and Inspection Service” account. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$46,166,000.

The Agricultural Marketing Service was established by the Secretary of Agriculture on April 2, 1972. AMS carries out programs authorized by some 31 different statutory authorities, the primary ones being the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627); the U.S. Cotton Standards Act (7 U.S.C. 51–65); the Cotton Statistics and Estimates Act (7 U.S.C. 471–476); the Tobacco Inspection Act (7 U.S.C. 511–511q); the Perishable Agricultural Commodities Act (7 U.S.C. 499a–499s); the Egg Products Inspection Act (21 U.S.C. 1031–1056); and section 32 (15 U.S.C. 713c).

Programs administered by this Agency include the market news services, payments to States for marketing activities, the Plant Variety Protection Act, the Federal administration of marketing

agreements and orders, standardization, grading, classing, and shell egg surveillance services, transportation services, and market protection and promotion.

COMMITTEE RECOMMENDATIONS

For marketing services, the Committee recommends an appropriation of \$46,517,000. This amount is \$10,074,000 less than the amount provided in 1995, \$4,090,000 less than the budget request, and \$145,000 less than the House level.

The Committee provides the \$351,000 requested in the budget to offset increased Federal costs and State reimbursements to fulfill temperature requirements of the Egg Products Inspection Act. The Committee expects the Service to continue implementation of the organic certification program within available funds.

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 1995	(\$57,054,000)
Budget limitation, 1996	(58,461,000)
House allowance	(58,461,000)
Committee recommendation	(58,461,000)

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) initiated a system of user fees for the cost of grading and classing tobacco, cotton, naval stores, and for warehouse examination. These activities, authorized under the U.S. Cotton Standards Act, the Tobacco Inspection Act, the Naval Stores Act, the U.S. Warehouse Act, and other provisions of law are designed to facilitate commerce and to protect participants in the industry.

COMMITTEE RECOMMENDATIONS

The Committee recommends a limitation on administrative expenses of the Agricultural Marketing Service of \$58,461,000. This amount is \$1,407,000 more than the 1995 level, and the same as the House level and the budget request.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

Appropriations, 1995	\$10,309,000
Budget estimate, 1996	10,451,000
House allowance	10,451,000
Committee recommendation	10,451,000

Under section 32 of the act of August 24, 1935, (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each preceding calendar year and unused balances are available for encouraging the domestic consumption and exportation of agricultural commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Additional transfers to the child nutrition programs of the Food and Consumer Service have been provided in recent appropriation acts.

The following table reflects the status of this fund for fiscal years 1994-96:

SECTION 32 ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD—FISCAL YEARS 1994–96

	Fiscal year—		
	1994 actual	1995 current estimate	1996 current estimate
Appropriations (30 percent of customs receipts) .	\$5,355,068,525	\$5,795,222,663	\$6,263,764,062
Less transfers:			
Food and Nutrition Service	–4,770,109,000	–5,249,077,000	–5,597,858,000
Commerce Department	–61,944,127	–64,765,383	–72,893,162
Total, transfers	–4,832,053,127	–5,313,842,383	–5,670,751,162
Budget authority	523,015,398	481,380,280	670,378,900
Unobligated balance available:			
Start of year	246,300,847	245,951,017	147,444,297
Recoveries of prior year obligations	20,804,713	.....	.....
Available for obligation	790,120,958	727,331,297	740,457,197
Less obligations:			
Commodity procurement:			
Child nutrition purchases	399,713,755	400,000,000	400,000,000
Emergency surplus removal	78,451,603	97,600,000	.....
Disaster relief	3,463,455	480,000	.....
Sunflower oil and cottonseed oil purchases	50,000,000	25,650,000	23,900,000
Total, commodity procurement ...	531,628,813	523,730,000	423,900,000
Administrative funds:			
Commodity purchase service	4,422,834	6,098,000	6,106,000
Marketing, agreements, and orders	8,118,294	10,309,000	10,451,000
Total, administrative funds	12,541,128	16,407,000	16,557,000
Total, direct obligations	544,169,941	579,887,000	440,457,000
Unobligated balance available, end of year	245,951,017	147,444,297	300,000,197

COMMITTEE RECOMMENDATIONS

The Committee recommends a transfer from section 32 funds of \$10,451,000 for the formulation and administration of marketing agreements and orders. This amount is the same as the budget estimate and 1995 House level, and \$142,000 more than the 1995 amount.

PAYMENTS TO STATES AND POSSESSIONS

Appropriations, 1995	\$1,200,000
Budget estimate, 1996	1,200,000
House allowance	1,000,000
Committee recommendation	1,200,000

The Federal-State Marketing Improvement Program is authorized by section 204(b) of the Agricultural Marketing Act of 1946 and is also funded from appropriations. Payments are made to State marketing agencies to: identify and test market alternative farm commodities; determine methods of providing more reliable

market information, and develop better commodity grading standards. This program has made possible many types of projects, such as electronic marketing and agricultural product diversification. Current projects are focused on the improvement of marketing efficiency and effectiveness, and seeking new outlets for existing farm produced commodities. The legislation grants the U.S. Department of Agriculture authority to establish cooperative agreements with State departments of agriculture or similar State agencies to improve the efficiency of the agricultural marketing chain. The States perform the work or contract it to others, and must contribute at least one-half of the cost of the projects.

COMMITTEE RECOMMENDATIONS

For payments to States and possessions for Federal-State marketing projects and activities, the Committee provides \$1,200,000. This amount is \$200,000 more than the House level, and the same as the budget request and the 1995 level.

The Committee is aware of the need to evaluate electronic marketing advances in disseminating market information, reducing marketing costs, and developing new markets for unique tropical agricultural products from Hawaii. The Committee encourages the Department to consider developing a cooperative agreement with the Hawaii Department of Agriculture for this purpose.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 1995 ¹	\$23,314,000
Budget estimate, 1996	23,679,000
House allowance	23,058,000
Committee recommendation	23,289,000

¹Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated to the Federal Grain Inspection Service and the Packers and Stockyards Administration are merged together to form the new Grain Inspection, Packers and Stockyards Administration. Funds appropriated for civil rights enforcement are excluded. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$23,289,000.

The Grain Inspection, Packers and Stockyards Administration [GIPSA] was established pursuant to the Secretary's 1994 reorganization. GIPSA consolidates the activities of the former Federal Grain Inspection Service and the Packers and Stockyards Administration. Grain inspection and weighing programs are carried out under the U.S. Grain Standards Act and other programs under the authority of the Agricultural Marketing Act of 1946, including the inspection and grading of rice and grain-related products; conducting official weighing and grain inspection activities; and grading, dry beans and peas, and processed grain products. Under the Packers and Stockyard Act, assurance of the financial integrity of the livestock, meat, and poultry markets is provided. The administration monitors competition in order to protect producers, consumers, and industry from deceptive and fraudulent practices which affect meat and poultry prices.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Grain Inspection, Packers and Stockyards Administration, the Committee recommends an appro-

priation of \$23,289,000. This amount is \$231,000 more than the House level, \$390,000 less than the budget request, and \$25,000 less than the amount provided for 1995.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Limitation, 1995	(\$42,784,000)
Budget limitation, 1996	(42,784,000)
House allowance	(42,784,000)
Committee recommendation	(42,784,000)

The Agency provides an official grain inspection and weighing system under the U.S. Grain Standards Act [USGSA], and official inspection of rice and grain-related products under the Agricultural Marketing Act [AMA] of 1946. The USGSA was amended in 1981 to require the collection of user fees to fund the costs associated with the operation, supervision, and administration of Federal grain inspection and weighing activities.

COMMITTEE RECOMMENDATIONS

The Committee recommends a \$42,784,000 limitation on inspection and weighing services expenses. This amount is the same as the House level, the budget estimate, and the 1995 amount.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

Appropriations, 1995	
Budget estimate, 1996	¹ \$580,000
House allowance	450,000
Committee recommendation	440,000

¹The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for Food Safety provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's inspection of meat, poultry, and egg products. The Office has oversight and management responsibilities for the Food Safety and Inspection Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Food Safety, the Committee recommends an appropriation of \$440,000. This amount is \$440,000 more than the level provided for 1995, \$140,000 less than the budget request, and \$10,000 less than the House recommendation.

FOOD SAFETY AND INSPECTION SERVICE

SALARIES AND EXPENSES

Appropriations, 1995 ¹	² \$525,820,000
Budget estimate, 1996	594,889,000
House allowance	540,365,000
Committee recommendation	568,685,000

¹Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated for egg products inspection under the Agricultural Marketing Service and the preharvest pathogen reduction and the salmonella enteritidis programs under the "Salaries and expenses" account of the Animal and Plant Health Inspection Service are included. Funds appropriated for civil rights enforcement are excluded. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$542,270,000.

²Reflects enacted supplemental of \$9,082,000.

The major objectives of the Service are to assure that meat and poultry products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act and the Poultry Products Inspection Act; provide continuous in-plant inspection to egg processing plants under the Egg Products Inspection Act; and administer the pathogen reduction and salmonella enteritidis programs.

The Food Safety and Inspection Service was established on June 17, 1981, by Secretary's Memorandum No. 1000-1, issued pursuant to Reorganization Plan No. 2 of 1953.

Legislation was enacted in 1986 to amend the continuous inspection requirements of the Federal Meat Inspection Act. The new Processed Products Inspection Improvement Act of 1986 gives the Secretary discretion to schedule inspections at processing plants based upon such criteria as the nature of the product produced and the plants' compliance histories.

The inspection program of the Food Safety and Inspection Service provides continuous in-plant inspection of all domestic plants preparing meat, poultry or egg products for sale or distribution; reviews foreign inspection systems and establishments that prepare meat or poultry products for export to the United States; and provides technical and financial assistance to States which maintain meat and poultry inspection programs.

COMMITTEE RECOMMENDATIONS

For the Food Safety and Inspection Service, the Committee recommends an appropriation of \$568,685,000. This amount is \$42,865,000 more than the amount provided in 1995, \$26,204,000 less than the budget request, and \$28,320,000 more than the House level.

The Committee recognizes the need for the implementation of a meat and poultry inspection system based on hazard analysis and critical control points [HACCP]. The Committee encourages the Department to implement the new inspection system in a manner which replaces, rather than adds to, the current organoleptic inspection system. The Committee expects the Department to work with producers, industry, processors, and consumers to develop a successful, modern food safety system. The Committee is aware of the public meetings the Secretary has scheduled for discussion of this issue and expects the Secretary to provide a report to the Committee prior to promulgation of the final rule.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

Appropriations, 1995	\$549,000
Budget estimate, 1996	¹ 570,000
House allowance	549,000
Committee recommendation	549,000

¹The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for Farm and Foreign Agricultural Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's international affairs (except for foreign economics development)

and commodity programs. The Office has oversight and management responsibilities for the Consolidated Farm Service Agency, including the Commodity Credit Corporation and crop insurance, and the Foreign Agricultural Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Farm and Foreign Agricultural Services, the Committee recommends an appropriation of \$549,000. This amount is the same as the House level, \$21,000 less than the budget request, and the same as the 1995 amount.

CONSOLIDATED FARM SERVICE AGENCY

The Consolidated Farm Service Agency [CFSA] was established by the Department of Agriculture Reorganization Act of 1994, Public Law 103-354, enacted October 13, 1994. The CFSA administers the commodity price support and production adjustment programs financed by the Commodity Credit Corporation, the warehouse examination function, the Conservation Reserve Program [CRP], and several other conservation cost-share programs from the former Agricultural Stabilization and Conservation Service; crop insurance and other risk management programs from the Federal Crop Insurance Corporation; and farm ownership and operating, and emergency disaster loan programs from the former Farmers Home Administration.

Production adjustment programs.—The Agricultural Act of 1949, as amended, mandates production adjustment programs for wheat, cotton, and rice when carryover stocks are at specified levels. The Food, Agriculture, Conservation, and Trade Act of 1990 [FACT Act], approved on November 28, 1990, sets farm policy through the 1996 crops. The Agricultural Adjustment Act of 1938, as amended, authorizes program parameters for tobacco and peanuts.

Designed to give farmers and ranchers the opportunity to earn incomes that are comparable with returns elsewhere in the economy, the program objectives include: (1) the maintenance of national aggregate net farm income at levels sufficient to insure investment in agriculture necessary to utilize production capacity within environmental constraints; (2) the development of agriculture policy and programs so that family farms will be strengthened and will provide adequate levels of net income per farm; (3) the support of efforts to strengthen farmers' power to bargain in the sale of farm products and the purchase of farm inputs; and (4) the continuation of the requirement for the maintenance of farmer-held and controlled grain reserves to aid in orderly marketing, and for humanitarian use.

The 1990 act continues the \$50,000 limitation on deficiency and diversion payments and sets a limitation of \$75,000 on marketing loan gains, emergency compensation (Findley) payments, and loan deficiency payments. The 1990 act continues the overall limitation of \$250,000 and includes all of the above payments as well as resource adjustment and inventory reduction payments. These limitations do not apply to support loans or purchases available to eligible program participants.

Commodity Credit Corporation program activities.—Various price support and related programs have been authorized in numerous legislative enactments since the early 1930's. Operations under these programs are financed through the Commodity Credit Corporation. Personnel and facilities of the Consolidated Farm Service Agency are utilized in the administration of the Commodity Credit Corporation, and the Administrator of the Agency is also Executive Vice President of the Corporation.

Foreign assistance programs and other special activities.—Various surplus disposal programs and other special activities are conducted pursuant to specific statutory authorizations and directives. These laws authorize the use of CCC funds and facilities to implement the programs. Appropriations for these programs are transferred or paid to the Corporation for its costs incurred in connection with these activities, such as Public Law 480 and the National Wool Act.

Farm credit programs.—The Department's reorganization has placed the farm credit programs under CFSA and is designed to facilitate improved coordination between the credit programs and CFSA's risk management, conservation, and commodity support programs. CFSA reviews applications, makes and collects loans, and provides technical assistance and guidance to borrowers. Under credit reform, administrative costs associated with agricultural credit insurance fund [ACIF] loans are appropriated to the ACIF program account and transferred to CFSA salaries and expenses.

Risk management.—Includes the program activities in direct support of the Federal crop insurance program as authorized by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994. The act repeals ad hoc disaster authority and replaces disaster bills as the Federal response to emergencies involving widespread crop loss. Functions included are research and development, insurance service, compliance and emergency, and noninsured assistance. Included is policy formulation, procedures, and regulations development. Reviews and evaluations are conducted for overall performance to ensure the actuarial soundness of the insurance program.

SALARIES AND EXPENSES

	Appropriations	Transfers from program accounts	Total, CFSA, S&E
Appropriations, 1995 ¹	² \$790,217,000	(\$201,852,000)	(\$992,069,000)
Budget estimate, 1996	811,771,000	(215,516,000)	(1,027,287,000)
House allowance	788,388,000	(209,780,000)	(998,168,000)
Committee recommendation	805,888,000	(215,516,000)	(1,021,404,000)

¹ Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated for Agricultural Stabilization and Conservation Service salaries and expenses and Federal Crop Insurance Corporation administrative and operating expenses and program account transfers to the Agricultural Stabilization and Conservation Service and Farmers Home Administration salaries and expenses accounts are included. Funds appropriated for administering certain conservation programs are excluded. These funds are included under the "Conservation operations" account of the Natural Resources Conservation Service. Funds appropriated for the national appeals function are excluded. These funds are included under the National Appeals Division of Executive Operations. Funds appropriated for the EEO counseling function are excluded. These funds are included under the Office of Civil Rights Enforcement under the departmental administration appropriation. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$783,616,000.

² Reflects enacted supplemental of \$5,000,000.

The account "Salaries and expenses, Consolidated Farm Service Agency," funds the administrative expenses of program administration and other functions assigned to CFSA. The funds consist of appropriations and transfers from the CCC loans, Public Law 480 loans, and agricultural credit insurance fund program accounts, and miscellaneous advances from other sources. All administrative funds used by CFSA are consolidated into one account. The consolidation provides clarity and better management and control of funds, and facilitates accounting, fiscal, and budgetary work by eliminating the necessity for making individual allocations and allotments and maintaining and recording obligations and expenditures under numerous separate accounts.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Consolidated Farm Service Agency, the Committee recommends an appropriation of \$805,888,000. This amount is \$805,888,000 more than the 1995 level, \$5,883,000 less than the budget request, and \$17,500,000 more than the House recommended level.

The Committee does not concur with House report language directing the CFSA to initiate a five-State pilot program in crop year 1996 for the delivery of catastrophic crop insurance policies exclusively by private companies and agents. Due to the uneven distribution of private agents in States and across the country, the capacity may not exist for the delivery of catastrophic coverage in areas where producers have not shown interest in purchasing additional levels of coverage. However, in this period of declining budgets, the Committee believes that the Department should carefully consider its utilization of resources to deliver catastrophic coverage where private industry capacity does exist.

STATE MEDIATION GRANTS

Appropriations, 1995	\$3,000,000
Budget estimate, 1996	3,000,000
House allowance	2,000,000
Committee recommendation	3,000,000

This program is authorized under title V of the Agricultural Credit Act of 1987. Grants are made to States which have been certified by CFSA as having an agricultural loan mediation program. Grants will be solely for operation and administration of the State's agricultural loan mediation program.

COMMITTEE RECOMMENDATIONS

For State mediation grants, the Committee recommends an appropriation of \$3,000,000. This amount is \$1,000,000 more than the House level, and the same as the budget request and the 1995 levels.

DAIRY INDEMNITY PROGRAM

Appropriations, 1995	
Budget estimate, 1996	\$100,000
House allowance	100,000
Committee recommendation	100,000

Under the program, the Department makes indemnification payments to dairy farmers and manufacturers of dairy products who, through no fault of their own, suffer losses because they are directed to remove their milk from commercial markets due to contamination of their products by registered pesticides. The program also authorizes indemnity payments to dairy farmers for losses resulting from the removal of cows or dairy products from the market due to nuclear radiation or fallout.

COMMITTEE RECOMMENDATIONS

For the dairy indemnity program, the Committee recommends an appropriation of \$100,000. The amount is the same as the House level and the budget request, and \$100,000 more than the 1995 amount.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS

Appropriations, 1995	\$2,995,000
Budget estimate, 1996	3,000,000
House allowance	
Committee recommendation	2,000,000

This program is authorized under section 2501 of title XXV of the Food, Agriculture, Conservation, and Trade Act of 1990. Grants are made to eligible community-based organizations with demonstrated experience in providing education on other agriculturally-related services to socially disadvantaged farmers and ranchers in their area of influence. Also eligible are the 1890 land-grant colleges, Tuskegee University, Indian tribal community colleges, and Hispanic-serving postsecondary education facilities.

COMMITTEE RECOMMENDATIONS

For grants for socially disadvantaged farmers and ranchers, the Committee recommends an appropriation of \$2,000,000. This amount is \$2,000,000 more than the House level, \$1,000,000 less than the budget request, and \$995,000 less than the 1995 amount.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

The Agricultural Credit Insurance Fund Program Account is used to insure or guarantee farm ownership, soil and water, farm operating, and emergency loans to individuals, as well as the following types of loans to associations: irrigation and drainage, grazing, and Indian tribe land acquisition. The insurance endorsement on each insured loan may include an agreement by the Government to purchase the loan after a specified initial period.

CFSA is also authorized to provide financial assistance to borrowers by guaranteeing loans made by private lenders having a contract of guarantee from CFSA as approved by the Secretary of Agriculture.

The following programs are financed through this fund:

Farm ownership loans.—Made to borrowers who cannot obtain credit elsewhere to restructure their debts, improve or purchase farms, refinance nonfarm enterprises which supplement but do not supplant farm income, or make additions to farms. An insured loan

may not exceed \$200,000 and a guaranteed loan may not exceed \$300,000. Loans are made for 40 years or less.

Farm operating loans.—Provide short-to-intermediate term production or chattel credit to farmers who cannot obtain credit elsewhere, to improve their farm and home operations, and to develop or maintain a reasonable standard of living. An insured loan may not exceed \$200,000 and a guaranteed loan is limited to \$400,000. The term of the loan varies from 1 to 7 years.

Emergency disaster loans.—Made available in designated areas (counties) and in contiguous counties where property damage and/or severe production losses have occurred as a direct result of a natural disaster. Areas may be declared by the President or designated for emergency loan assistance by the Secretary of Agriculture. The loan may be up to \$500,000.

Soil and water conservation loans.—Made to individuals, cooperatives, corporations, or partnerships who own and/or operate a farm, for land and water development, use and conservation. The loan limit is \$200,000 for an insured loan and \$300,000 for a guaranteed loan. The repayment period may be up to 40 years.

Credit sales of acquired property.—Property is sold out of inventory and is made to an eligible buyer by providing CFSAs loans.

COMMITTEE RECOMMENDATIONS

The Committee recommends a total level for farm loans of \$3,182,446,000. This is \$2,309,000 less than the 1995 level, \$21,421,000 less than the budget request, and \$174,196,000 more than the House recommended level.

The Committee is aware of the severe damage that has occurred to the 1995 crop of cotton in Mississippi, Texas, Arkansas, Tennessee, Alabama, and Georgia due to tobacco budworms and beet armyworms. It is estimated that over 1.6 million acres have been affected at a value of over \$700,000,000. The Committee expects the Secretary to complete requested damage assessment reports in a timely manner and utilize the Emergency Disaster Loan Program to the maximum extent allowed by law to provide assistance to producers affected by this disaster. Loan applications should be approved expeditiously by the Department. If available program funds are insufficient to meet the demand for disaster loan assistance, the Committee expects the Department to submit a request for additional funds.

The Committee is aware that the Secretary has authority to promulgate regulations for the establishment of loans under 7 U.S.C. 1989. The Committee urges the Secretary to utilize this authority to promulgate regulations for the establishment of a loan program for the boll weevil eradication program. Due to severe fiscal constraints, the Committee is unable to provide an increase in direct appropriations for the boll weevil program for fiscal year 1996. The establishment of a loan program would accelerate expansion of the eradication program without substantial additional cost to the Federal Government. The Secretary should report to the Committee on the progress of promulgating these regulations by January 31, 1996.

The following table reflects the program levels for farm credit programs administered by the Consolidated Farm Service Agency

recommended by the Committee, as compared to 1995 and the budget request and House recommended levels for fiscal year 1996:

AGRICULTURAL CREDIT PROGRAMS—LOAN LEVELS

[In thousands of dollars]

	1995	1996 budget	1996 House allowance	Committee recommendation
Farm ownership:				
Direct	78,081	70,000	35,000	60,000
Guaranteed	540,674	540,687	550,000	550,000
Farm operating:				
Direct	500,000	542,860	400,000	550,000
Unsubsidized guaranteed	1,735,000	1,700,000	1,700,000	1,700,000
Subsidized guaranteed	230,000	200,000	200,000	200,000
Soil and water:				
Direct		2,898		
Guaranteed		1,422		
Indian tribe land acquisition	1,000	1,000	750	750
Emergency disaster	100,000	100,000	100,000	100,000
Credit sales of acquired property		45,000	22,500	21,696
Total, farm loans	3,184,755	3,203,867	3,008,250	3,182,446

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Insured loan subsidy	Guaranteed loan subsidy	Total subsidy	Administrative expenses
Appropriations, 1995	\$93,169,000	\$59,655,000	\$152,824,000	\$243,766,000
Budget estimate, 1996	131,474,000	56,031,000	187,505,000	227,258,000
House allowance	99,266,000	56,339,000	155,605,000	221,541,000
Committee recommendation	125,471,000	56,339,000	181,810,000	227,258,000

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1996, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The following table reflects the cost of loan programs under credit reform:

[In thousands of dollars]

	1995 enacted	1996 budget	House allowance	Committee recommendation
Loan subsidies:				
Farm ownership:				
Direct	10,983	16,373	8,187	14,034
Guaranteed	20,870	19,681	20,019	20,019
Farm operating:				
Direct	56,555	74,209	54,680	75,185
Unsubsidized guarantees	9,360	18,360	18,360	18,360
Subsidized guarantees	29,425	17,960	17,960	17,960
Soil and water:				
Direct		608		

[In thousands of dollars]

	1995 enacted	1996 budget	House allowance	Committee recommendation
Guaranteed		30		
Indian tribe land acquisition	123	274	206	206
Emergency disaster	26,290	32,080	32,080	32,080
Credit sales of acquired prop- erties		8,226	4,113	3,966
Negative subsidies	-782	-296		
Total, loan subsidies	152,824	187,505	155,605	181,810
ACIF expenses	243,766	227,258	221,541	227,258

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION

The Federal Crop Insurance Reform Act of 1994 was designed to replace the combination of crop insurance and ad hoc disaster payment programs with a strengthened crop insurance program.

Under the new program, producers of insurable crops are eligible to receive a basic level of protection against catastrophic losses, which covers 50 percent of the normal yield at 60 percent of the expected price. The only cost to the producer is a processing fee of \$50 per policy, or \$200 for all crops grown by the producer in a county, with a cap of \$600 regardless of the number of crops and counties involved. Catastrophic [CAT] coverage is required for producers who participate in the commodity support, farm credit, and certain other farm programs. This coverage is available either through CFSA county offices or private insurance companies.

The new program also provides additional buy-up coverage which producers may obtain from private insurance companies. Producers who purchase this coverage receive an additional subsidy on their CAT coverage on which the price guarantee is increased to 65 percent of the expected price, rather than 60 percent for stand alone CAT coverage. Further, the delivery costs for buy-up coverage are fully subsidized.

The reform legislation also includes a Noninsured Assistance Program [NAP] for producers of crops for which there is currently no insurance available. NAP was established to ensure that most producers of crops not yet insurable will have protection against crop catastrophes comparable to protection previously provided by ad hoc disaster assistance programs.

FEDERAL CROP INSURANCE CORPORATION FUND

Appropriations, 1995	\$219,107,000
Budget estimate, 1996	¹ 1,263,708,000
House allowance	1,263,708,000
Committee recommendation	1,263,708,000

¹ The budget requests such sums as may be necessary to remain available until expended.

The Federal Crop Insurance Act, as amended by the Federal Crop Insurance Reform Act of 1994, authorizes the payment of expenses which may include indemnity payments, loss adjustment, noninsured crop assistance payments, delivery expenses, program-

related research and development, startup costs for implementing this legislation such as studies, pilot projects, data processing improvements, public outreach, and related tasks and functions.

All program costs for 1996, except for Federal salaries and expenses, are mandatory expenditures subject to appropriation.

COMMITTEE RECOMMENDATIONS

For the Federal Crop Insurance Corporation fund, the Committee recommends an appropriation of such sums as may be necessary, the same as the budget request and the House recommendation. This amount is estimated to be \$1,263,708,000. The 1995 appropriation was \$219,107,000.

COMMODITY CREDIT CORPORATION FUND

The Commodity Credit Corporation [CCC] is a wholly owned Government corporation created in 1933 to stabilize, support, and protect farm income and prices; to help maintain balanced and adequate supplies of agricultural commodities, including products, foods, feeds, and fibers; and to help in the orderly distribution of these commodities. CCC was originally incorporated under a Delaware charter and was reincorporated June 30, 1948, as a Federal corporation within the Department of Agriculture by the Commodity Credit Corporation Charter Act, approved June 29, 1948 (15 U.S.C. 714).

The principal operations conducted by CCC are support programs for agricultural commodities, including the storage, handling, and disposition of commodities acquired under the programs; acreage limitation, loan deficiency, deficiency, disaster, and/or diversion payment programs for feed grains, wheat, rice, and cotton; certificate programs; a conservation reserve program; and special activities, such as those under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), which are financed by appropriations authorized by statutes providing for these activities. Under the Agricultural Trade Act of 1978, as amended, CCC may finance short-term export sales on credit terms not to exceed 3 years, and intermediate-term export credit sales in excess of 3 years, but not more than 10 years. The Corporation is also authorized under its charter and the Agricultural Trade Act of 1978, as amended, to enter into export guarantee financing arrangements with respect to exported commodities. In 1992, there are new credit reform procedures for Federal credit programs authorized by the Balanced Budget Act of 1990, title XIII of the Omnibus Budget Reconciliation Act of 1990. These procedures require that budget authority and outlays for these programs represent subsidy costs (including interest subsidies) and administrative expenses, rather than claim disbursements and repayments.

Management of the Corporation is vested in a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is an ex-officio director and chairman of the board. The board consists of seven members, in addition to the Secretary, who are appointed by the President of the United States with the advice and consent of the Senate. Officers of the Corpora-

tion are designated according to their positions in the Department of Agriculture.

The activities of the Corporation are carried out mainly by the personnel and through the facilities of the Consolidated Farm Service Agency [CFSA] and the Consolidated Farm Service Agency [CFSA] State and county committees. The Foreign Agriculture Service, the General Sales Manager, other agencies and offices of the Department, and commercial agents are also used to carry out certain phases of the Corporation's activities.

The Corporation's capital stock of \$100,000,000 is held by the United States. Under present law up to \$30,000,000,000 may be borrowed from the U.S. Treasury, from private lending agencies, and from others, at any one time. The Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury.

Under Public Law 87-155 (15 U.S.C. 713a-11, 713a-12), annual appropriations are authorized for each fiscal year, commencing with fiscal year 1961. These appropriations are to reimburse the Corporation for net realized losses.

REIMBURSEMENT FOR NET REALIZED LOSSES

Appropriations, 1995	\$15,500,000,000
Budget estimate, 1996	¹ 10,400,000,000
House allowance	10,400,000,000
Committee recommendation	10,400,000,000

¹ Amount proposed to be reimbursed through a current indefinite appropriation.

COMMITTEE RECOMMENDATIONS

For the payment to reimburse the Commodity Credit Corporation for net realized losses, the Committee recommends an appropriation of such sums as may be necessary, but not to exceed \$10,400,000,000. This is \$5,100,000,000 below the amount provided for 1995 and the same as the House recommendation. The budget requested a current indefinite appropriation and estimated the amount to be \$10,400,000,000.

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE MANAGEMENT

(LIMITATION ON ADMINISTRATIVE EXPENSES)

Limitation, 1995	(\$5,000,000)
Budget estimate, 1996	(5,000,000)
House allowance	(5,000,000)
Committee recommendation	(5,000,000)

CCC's hazardous waste management program is intended to ensure compliance with the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, and the Resource Conservation and Recovery Act, as amended. Beginning in fiscal year 1992, investigative and cleanup costs associated with the management of CCC hazardous waste are paid from USDA's hazardous waste management appropriation. CCC funds operations and maintenance costs only.

COMMITTEE RECOMMENDATIONS

For Commodity Credit Corporation operations and maintenance for hazardous waste management, the Committee provides a limitation of \$5,000,000. This amount is the same as the 1995 level, the budget request, and House recommendation.

TITLE II—CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

Appropriations, 1995	\$677,000
Budget estimate, 1996	¹ 696,000
House allowance	677,000
Committee recommendation	677,000

¹The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for Natural Resources and Environment provides direction and coordination in carrying out the laws enacted by the Congress with respect to natural resources and the environment. The Office has oversight and management responsibilities for the Natural Resources Conservation Service and the Forest Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Natural Resources and Environment, the Committee recommends an appropriation of \$677,000. This amount is the same as the amount provided for 1995 and the House level, and \$19,000 less than the budget request.

NATURAL RESOURCES CONSERVATION SERVICE

The Natural Resources Conservation Service [NRCS] was established pursuant to Public Law 103-354, the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962). NRCS combines the authorities of the former Soil Conservation Service as well as five natural resource conservation cost-share programs previously administered by the Agricultural Stabilization and Conservation Service. Through the years, this Service, together with the agricultural conservation programs and over 2 million conservation district cooperatives, has been a major factor in holding down pollution. The Natural Resources Conservation Service works with conservation districts, watershed groups, and the Federal and State agencies having related responsibilities in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by flood and sedimentation. The Service, with its dams, debris basins, and planned watersheds, provides technical advice to the agricultural conservation programs, where the Federal Government pays about one-third of the cost, and, through these programs, has done perhaps more to hold down pollution than any other activity. These programs and water sewage systems in rural areas tend to hold pollution back from the areas of greatest damage, the rivers and harbors near our cities.

The conservation activities of the Natural Resources Conservation Service are guided by the priorities and objectives as set forth in the National Conservation Program [NCP] which was prepared in response to the provisions of the Soil and Water Resources Conservation Act of 1977 [RCA] (Public Law 95–192). The long-term objectives of the program are designed to maintain and improve the soil, water, and related resources of the Nation's nonpublic lands by: reducing excessive soil erosion; improving irrigation efficiencies; improving water management; reducing upstream flood damages; improving range condition; and improving water quality.

CONSERVATION OPERATIONS

Appropriations, 1995 ¹	\$556,062,000
Budget estimate, 1996	645,735,000
House allowance	629,986,000
Committee recommendation	637,860,000

¹Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated for the appeals staff and civil rights enforcement are excluded. Funds transferred from CFSA for program administration are included. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$559,538,000.

Conservation operations is authorized by Public Law 74–46 (16 U.S.C. 590a–590f). Activities include:

Conservation technical assistance.—Provides assistance to district cooperators and other land users in the planning and application of conservation treatments to control erosion and improve the quantity and quality of soil resources, improve and conserve water, enhance fish and wildlife habitat, conserve energy, improve woodland, pasture and range conditions, and reduce upstream flooding; all to protect and enhance the natural resource base.

Inventory and monitoring provides soil, water, and related resource data for land conservation, use, and development; guidance of community development; identification of prime agricultural producing areas that should be protected; use in protecting the quality of the environment; and issuance of periodic inventory reports of resource conditions.

Resource appraisal and program development ensures that programs administered by the Secretary of Agriculture for the conservation of soil, water, and related resources shall respond to the Nation's long-term needs.

Soil surveys.—Inventories the Nation's basic soil resources and determines land capabilities and conservation treatment needs. Soil survey publications include interpretations useful to cooperators, other Federal agencies, State, and local organizations.

Snow survey and water forecasting.—Provides estimates of annual water availability from high mountain snow packs and relates this summer stream flow in the Western States and Alaska. Information is used by agriculture, industry, and cities in estimating future water supplies.

Plant materials centers.—Assembles, tests, and encourages increased use of plant species which show promise for use in the treatment of conservation problem areas.

COMMITTEE RECOMMENDATIONS

For conservation operations, the Committee recommends an appropriation of \$637,860,000. This amount is \$81,798,000 more than the 1995 level, \$7,875,000 less than the budget estimate, and \$7,874,000 more than the House level.

The Committee concurs in the House recommendation that \$5,000,000 be directed for a grazing lands conservation initiative. The Committee has not included funding for the Center of Excellence.

The Committee recommends \$4,750,000 for continuing work on the Chesapeake Bay program, the same level as for 1995.

The Committee also has included \$250,000, the same as the 1995 level, for continued support of agricultural development and resource conservation in the native Hawaiian communities serviced by the Molokai Agriculture Community Committee.

Included in the Committee recommendation is \$800,000, the same as the 1995 level, for planning of the Bayou Meto and Beouf/Tensas areas through the use of least-cost methods as developed by the Natural Resources Conservation Service in Arkansas. In addition, the Committee expects the continuation of planning and design activities for the Kuhn Bayou, AR, project.

The Committee has included \$250,000 for design and technical assistance in Franklin County, MS.

The Committee has included \$400,000, the same amount as for 1995, to continue a pilot program for the development of techniques to address the loess hills erosion problem in Iowa.

The Committee provides the 1995 level of funding to conduct the Mississippi Delta water resources study. This study is critical to the entire lower Mississippi Valley region, and has potential national significance in the areas of water quality and quantity.

The Committee is aware of important research underway at the Golden Meadow, LA, Plant Materials Center, in developing new species for revegetating fragile coastal areas. The Committee expects the Service to continue important biotechnology projects with the Crowley, LA, Rice Research Station on tissue culture and other areas and has provided \$75,000, the same amount as for 1995, for this purpose. In addition, the Committee has provided \$150,000 to continue a program for research on nutria-resistant materials and materials to restore wetlands and prevent erosion of barrier islands and inland wetlands.

The Committee provides \$250,000, the same amount as for 1995, to continue work on the Great Lakes Basin Program for soil and erosion sediment control.

The Committee expects work to continue on the Little Auglaize watershed in Ohio and the Piney Creek Watershed in Mississippi.

The Committee provides \$3,000,000, the same amount as for 1995, to continue a multiyear rural recycling and water resource protection initiative in the Mississippi Delta region of Louisiana, Arkansas, and Mississippi.

The Committee supports the GIS Center for Advanced Spatial Technology in Arkansas, its development of digital soil maps, and the continuation of the National Digital Orthophotography Program. NRCS has been the lead agency within USDA for the devel-

opment of GIS capabilities and NRCS is encouraged to maintain its strong relationship with the Center.

The Committee also directs the Service to provide a feasibility study on the establishment of a plant materials center at the University of Northern Iowa.

RIVER BASIN SURVEYS AND INVESTIGATIONS

Appropriations, 1995	\$12,970,000
Budget estimate, 1996	11,210,000
House allowance	(¹)
Committee recommendation	8,369,000

¹ Funded under proposed "Watershed surveys and planning" account.

Section 6 of the Watershed Protection and Flood Prevention Act (Public Law 566, 83d, Cong.), as amended (16 U.S.C. 1006–1009), provides for cooperation with other Federal, State, and local agencies in making investigations and surveys of the watersheds of rivers and other waterways as a basis for the development of coordinated programs. Reports of the investigations and surveys are prepared to serve as a guide for the development of agricultural, rural, and upstream watershed aspects of water and related land resources, and as a basis for coordination of this development with downstream and other phases of water development.

COMMITTEE RECOMMENDATIONS

For river basin surveys and investigations, the Committee recommends an appropriation of \$8,369,000. This amount is \$2,841,000 less than the budget request, \$8,369,000 more than the House level, and \$4,601,000 less than the 1995 amount.

WATERSHED PLANNING

Appropriations, 1995	\$10,546,000
Budget estimate, 1996	7,542,000
House allowance	(¹)
Committee recommendation	5,630,000

¹ Funded under proposed "Watershed surveys and planning" account.

The Watershed Protection and Flood Prevention Act (Public Law 566, 83d Cong.), as amended (16 U.S.C. 1001–1008), provides for cooperation between the Federal Government and the States and their political subdivisions in a program of watershed planning. Watershed plans form the basis for installing works of improvement for floodwater retardation, erosion control, and reduction of sedimentation in the watershed of rivers and streams and to further the conservation, development, utilization, and disposal of water.

The work of the Department in watershed planning consists of assisting local organizations to develop their watershed work plan by making investigations and surveys in response to requests made by sponsoring local organizations. These plans describe the soil erosion, water management, and sedimentation problems in a watershed and works of improvement proposed to alleviate these problems. Plans also include estimated benefits and costs, cost sharing and operating and maintenance arrangements, and other appro-

priate information necessary to justify Federal assistance for carrying out the plan.

COMMITTEE RECOMMENDATIONS

For watershed planning, the Committee recommends an appropriation of \$5,630,000. This amount is \$4,916,000 less than the 1995 level, \$1,912,000 less than the budget estimate, and \$5,630,000 more than the House recommended level.

The Committee has included \$300,000, the same as the 1995 amount, for the Zuni River watershed.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Appropriations, 1995	\$70,000,000
Budget estimate, 1996	100,000,000
House allowance	100,000,000
Committee recommendation	100,000,000

The Watershed Protection and Flood Prevention Act (Public Law 566, 83d Cong.), as amended (16 U.S.C. 1001–1005, 1007–1009), provides for cooperation between the Federal Government and the States and their political subdivisions in a program to prevent erosion, floodwater, and sediment damages in the watersheds or rivers and streams and to further the conservation, development, utilization, and disposal of water.

The Natural Resources Conservation Service has general responsibility for administration of activities which include cooperation with local sponsors, State, and other public agencies in the installation of planned works of improvement to reduce erosion, floodwater, and sediment damage; conserve, develop, utilize, and dispose of water; plan and install works of improvement for flood prevention including the development of recreational facilities and the improvement of fish and wildlife habitat; and loans to local organizations to help finance the local share of the cost of carrying out planned watershed and flood prevention works of improvement.

COMMITTEE RECOMMENDATIONS

For watershed and flood prevention operations, the Committee recommends an appropriation of \$100,000,000. This amount is \$30,000,000 more than the 1995 appropriation, and the same as the budget request and the House level.

The Committee encourages the Department to continue to provide technical assistance and adequate funding to repair erosion damage in the counties of Adams, Alcorn, Claiborne, Covington, DeSoto, Forrest, Grenada, Hinds, Holmes, Itawamba, Jones, Lauderdale, Leake, Lee, Lowndes, Madison, Monroe, Neshoba, Panola, Perry, Pontotoc, Prentiss, Rankin, Tippah, Union, Warren, and Yazoo, MS.

The Committee expects progress to continue on the Yazoo basin demonstration erosion control project and the Little Sioux and Mosquito Creek watersheds in Iowa.

The Committee is aware of limited water storage and inefficient delivery systems on the islands of Hawaii and Maui which are unable to mitigate persistent drought conditions and conserve water

to support diversified agriculture. The Committee believes that the Service should give consideration to improving these systems.

The Committee is aware of the flooding situation in the Devil's Lake basin in North Dakota and encourages the Natural Resources Conservation Service [NRCS], with the cooperation of the Consolidated Farm Services Agency [CFSA], to assist in the locally coordinated flood response and water management activities being developed with the Federal Emergency Management Agency. NRCS and CFSA should utilize conservation programs in providing water holding and storage areas on private land as necessary intermediate measures in watershed management.

WATERSHED SURVEYS AND PLANNING

Appropriations, 1995	
Budget estimate, 1996	
House allowance	\$14,000,000
Committee recommendation	

The House proposes the consolidation of funding for river basin surveys and investigations and watershed planning into a single appropriations account.

COMMITTEE RECOMMENDATIONS

The Committee does not concur in the House recommendation to consolidate funding for river basin surveys and investigations and watershed planning under a single account. The Committee recommends continued funding of these programs under separate appropriations accounts.

RESOURCE CONSERVATION AND DEVELOPMENT

Appropriations, 1995	\$32,845,000
Budget estimate, 1996	28,900,000
House allowance	(¹)
Committee recommendation	27,000,000

¹ Funded under proposed "Conservation programs" account.

The Natural Resources Conservation Service has general responsibility under provisions of section 102, title I of the Food and Agriculture Act of 1962, for developing overall work plans for resource conservation and development projects in cooperation with local sponsors; to help develop local programs of land conservation and utilization; to assist local groups and individuals in carrying out such plans and programs; to conduct surveys and investigations relating to the conditions and factors affecting such work on private lands; and to make loans to project sponsors for conservation and development purposes and to individual operators for establishing soil and water conservation practices.

COMMITTEE RECOMMENDATIONS

For resource conservation and development, the Committee recommends an appropriation of \$27,000,000. This amount is \$5,845,000 less than the 1995 level, \$1,900,000 less than the budget estimate, and \$27,000,000 more than the House recommended level.

GREAT PLAINS CONSERVATION PROGRAM

Appropriations, 1995	\$15,172,000
Budget estimate, 1996	11,000,000
House allowance	
Committee recommendation	

The Great Plains Conservation Program was authorized under Public Law 84-1021, 84th Congress (16 U.S.C. 590p), as amended. Public Law 91-118 extended the Great Plains cost-share contracting authority to December 31, 1981. Public Law 96-263 extended the program until September 30, 1991. Public Law 101-624 extends the program until September 30, 2001. This program provides technical assistance and long-term cost sharing to land users in the counties of the Great Plains States plagued with recurring wind erosion problems. It is designed to provide needed protection and improvement of soil, water, plant, and wildlife resources of this vast agricultural area. Installation of complete conservation programs on entire operating units in the area helps to stabilize the local economy while assisting the individual producer. The work supplements other soil and water conservation programs and activities in counties designated by the Secretary. It is also coordinated with programs and objectives of locally managed conservation districts, State agencies, and community groups. This program contributes to total environmental improvement through reduction of wind and water erosion and sedimentation and abatement of agriculture-related pollutants.

COMMITTEE RECOMMENDATIONS

Due to severe fiscal constraints, the Committee defers funding for the Great Plains Conservation Program. This is \$15,172,000 less than the 1995 level, the same as the House recommendation, and \$11,000,000 less than the budget request.

FORESTRY INCENTIVES PROGRAM

Appropriations, 1995	\$6,625,000
Budget estimate, 1996	6,625,000
House allowance	(¹)
Committee recommendation	6,325,000

¹Funded under proposed "Conservation programs" account.

The Forestry Incentives Program is authorized by the Cooperative Forestry Assistance Act of 1978 (Public Law 95-313), as amended by section 1214, title XII, of the Food, Agriculture, Conservation, and Trade Act of 1990. Its purpose is to encourage the development, management, and protection of nonindustrial private forest lands. This program will be carried out by providing technical assistance and long-term cost-sharing agreements with private landowners.

COMMITTEE RECOMMENDATIONS

For the Forestry Incentives Program, the Committee recommends an appropriation of \$6,325,000. This amount is \$300,000 less than the 1995 appropriation and the budget request, and \$6,325,000 more than the House level.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Appropriations, 1995	\$4,500,000
Budget estimate, 1996	2,681,000
House allowance	(¹)
Committee recommendation	1,000,000

¹ Funded under proposed "Conservation programs" account.

The Colorado River Basin Salinity Control Program was established by section 101 of title II of the Colorado River Basin Salinity Control Act of 1974 (Public Law 93-320), as amended. The program began as a cooperative endeavor by the Agricultural Stabilization and Conservation Service [ASCS], Soil Conservation Service [SCS], and Extension Service [ES]. The Secretary's reorganization transfers the functions of this program solely to the NRCS. The program is to assist landowners and others in the Colorado River Basin in establishing on-farm irrigation management systems and related lateral improvement measures to decrease the salt load and sedimentation level in the Colorado River and to enhance the supply and quality of water available for use in the United States and the Republic of Mexico.

COMMITTEE RECOMMENDATIONS

For the Colorado River Basin Salinity Control Program, the Committee recommends an appropriation of \$1,000,000. This amount is \$3,500,000 less than the 1995 level, \$1,681,000 less than the budget request, and \$1,000,000 more than the House recommended level.

CONSERVATION PROGRAMS

Appropriations, 1995 .....	.....
Budget estimate, 1996 .....	.....
House allowance	\$36,000,000
Committee recommendation .....	.....

The House proposes the consolidation of funding for resource conservation and development, the forestry incentives program, and the Colorado River Basin Salinity Control Program into a single appropriations account.

COMMITTEE RECOMMENDATIONS

The Committee does not concur in the House recommendation to consolidate funding for resource conservation and development, the Forestry Incentives Program, and the Colorado River Basin Salinity Control Program under a single account. The Committee recommends continued funding of these programs under separate appropriations accounts.

WETLANDS RESERVE PROGRAM

Appropriations, 1995	\$93,200,000
Budget estimate, 1996	210,000,000
House allowance	210,000,000
Committee recommendation	77,000,000

The Wetlands Reserve Program [WRP] is authorized by title XIV, section 1438 of the Food, Agriculture, Conservation, and Trade Act of 1990 [FACT Act]. As amended by the 1993 Omnibus Reconcili-

ation Act, the Secretary is required to enroll not less than 330,000 acres by the end of calendar year 1995, and not less than 975,000 by the end of calendar year 2000. WRP is one component of the larger Environmental Conservation Acreage Reserve Program [ECARP], which also includes the existing Conservation Reserve Program [CRP]. The primary objectives of the WRP are to preserve, protect, and restore wetlands, improve wildlife habitat, and protect migratory bird habitat. The Secretary of Agriculture, through designated county offices, uses program funds to enter into contracts with landowners who operate farmed or converted wetlands, farmed wetland or prior converted wetlands and adjoining land in CRP or riparian corridors. The contracts provide permanent easements or easements of 30 years or the maximum allowable under State law. Technical assistance is provided by the Natural Resources Conservation Service and the Fish and Wildlife Service.

COMMITTEE RECOMMENDATIONS

For the Wetlands Reserve Program, the Committee recommends an appropriation of \$77,000,000. This amount is \$133,000,000 less than the budget request and the House level, and \$16,200,000 less than the 1995 amount.

The Committee includes a provision in the bill restricting the acreage to be enrolled in the Wetlands Reserve Program to 100,000 acres in fiscal year 1996.

The Committee encourages the Department to enter into an agreement with the National Fish and Wildlife Foundation for a pilot program to support the implementation of the Wetlands Reserve Program, as authorized by law (Public Law 101-624, as amended). It is expected that this agreement will be for not less than \$5,000,000 to allow an approximate one-to-one match of non-Federal funds provided by the foundation. This agreement will support implementation of the WRP by utilizing these funds for authorized projects which are mutually agreed to by the foundation and the Department. The per-acre costs of this agreement, including administrative costs, shall not exceed those currently incurred by the Department. It is anticipated that this delivery mechanism will result in lower program costs, and will lead to new, innovative ways for the delivery of Federal conservation programs.

CONSOLIDATED FARM SERVICE AGENCY

The CFSA administers the following conservation programs:

AGRICULTURAL CONSERVATION PROGRAM

Appropriations, 1995	\$100,000,000
Budget estimate, 1996	50,000,000
House allowance	75,000,000
Committee recommendation	50,000,000

The Agricultural Conservation Program [ACP] is authorized by sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act (Public Law 74-46), sections 1001-1004, 1006-1008, and 1010 of the Agricultural Act of 1970 (Public Law 91-524), as added by the Agricultural and Consumer Protection Act of 1973 (Public Law 93-86), section 1501 of the Food and Agri-

culture Act of 1977 (Public Law 95-113), and section 259 of the Energy Security Act of 1980 (Public Law 96-294).

The ACP is administered by CFSA through the farmer-elected committee system. The program is a joint effort by Government and landowners to restore and protect basic land and water resources. Objectives include helping to ensure a continuous, adequate supply of food and fiber; improving water quality in rural America; facilitating resource management systems; and achieving national priorities reflected in the National Environmental Policy Act of 1969 and related legislation.

COMMITTEE RECOMMENDATIONS

For the Agricultural Conservation Program, the Committee recommends an appropriation of \$50,000,000. This amount is \$50,000,000 less than the 1995 level, the same as the budget estimate, and \$25,000,000 less than the House recommended amount.

Included in the Committee's recommendation is \$15,000,000 for the water quality incentives program, the same as the budget request, \$4,000,000 more than the House level, and the same as the 1995 amount.

The Cheney Reservoir is a critical component of the water supply system for Wichita, KS. The Committee is aware that agricultural runoff and sedimentation from soil erosion threaten the water quality and longevity of the reservoir. The city of Wichita has committed resources to address problem areas above the reservoir. The Committee encourages the Service to provide assistance in this effort.

The Committee also recognizes the need in the Lake Champlain basin in Vermont for cost share program assistance through the Agricultural Conservation Program, and encourages the Service to continue to support the structural improvement efforts of farmers in the basin through this program.

EMERGENCY CONSERVATION PROGRAM

Appropriations, 1995	(1)
Budget estimate, 1996	\$3,000,000
House allowance	
Committee recommendation	

¹An amount of \$23,000,000 is transferred from funding appropriated to watershed and flood prevention operations by Public Law 103-211, the Emergency Supplemental Appropriations Act of 1994.

The appropriation for the Emergency Conservation Program of the CFSA funds the activities authorized by the Agricultural Credit Act of 1978 (Public Law 95-334). Under the program, the Government shares the cost of carrying out approved practices to assist and encourage farmers to rehabilitate farmlands damaged by natural disasters.

Assistance is made available to treat new conservation problems which: (1) if not treated, will impair or endanger the land; (2) materially affect the productive capacity of the land; (3) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area; and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

COMMITTEE RECOMMENDATIONS

Due to severe fiscal constraints, the Committee has deferred funding for the Emergency Conservation Program. This is the same as the 1995 appropriation, \$3,000,000 less than the budget request, and the same as the House level.

CONSERVATION RESERVE PROGRAM

Appropriations, 1995	\$1,743,274,000
Budget estimate, 1996	1,926,370,000
House allowance	1,781,785,000
Committee recommendation	1,781,785,000

The Conservation Reserve Program [CRP] authorized by the Food Security Act of 1985, as amended by sections 1411–1499 of the Food, Agriculture, Conservation, and Trade Act of 1990 [FACT Act], was established as a voluntary program to help farmers prevent or control the critical soil erosion on highly erodible and environmentally sensitive cropland. Unchecked, soil erosion would reduce the Nation's long-term capability to produce food and fiber and adversely impact water quality and wildfire resources.

The FACT Act, as amended by the Omnibus Budget Reconciliation Act of 1993, requires that not less than 38 million acres be enrolled in CRP by the end of 1995.

The CRP is authorized in all 50 States, Puerto Rico, and the Virgin Islands on all cropland meeting the eligibility criteria. Cropland is defined as land that has been annually tilled to produce an agricultural commodity, including sugarcane, other than orchards, vineyards, or ornamental planting or has been set aside in a production adjustment program in two of the five crop years immediately preceding 1991 and is suitable for crop production. Alfalfa and other grasses and legumes in rotation are considered an agricultural commodity for CRP purposes.

The CRP is administered under the general supervision of the Administrator, CFSA, and is carried out in the field by State and local CFS committees. Technical assistance is provided by the Natural Resources Conservation Service, which determines eligibility of the land and assists farmers in preparing conservation plans. The Forest Service and cooperating State forestry agencies plan for tree planting and install planned practices involving trees.

Under the program, farmers enter into a 10-year contract with USDA to take eligible land out of annual crop production and put it into permanent vegetative cover. The option of 15-year contracts is offered to farmers willing to plant trees.

Farmers decide what eligible cropland to offer for the reserve and bid what they would accept for an annual rental payment for the 10- or 15-year period at the time of application. In addition, farmers receive one-time payments of 50 percent of the eligible costs of establishing vegetative cover on the reserve acreage.

COMMITTEE RECOMMENDATIONS

For the Conservation Reserve Program, the Committee recommends an appropriation of \$1,781,785,000. This amount is \$144,585,000 less than the budget request, the same as the House level, and \$38,511,000 more than the amount provided for 1995.

TITLE III—RURAL ECONOMIC AND COMMUNITY
DEVELOPMENT PROGRAMS

The Department of Agriculture Reorganization Act of 1994 (Public Law 103-354) abolishes the Farmers Home Administration, Rural Development Administration, and Rural Electrification Administration and replaces those agencies with the Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, and Rural Utilities Service and places them under the oversight of the Under Secretary for Rural Economic and Community Development. These agencies deliver a variety of programs through a network of State, district, and county offices.

In the 1930's and 1940's these agencies were primarily involved in making small loans to farmers; however, today these agencies have a multibillion dollar loan program throughout all America providing loan and grant assistance for single-family and multifamily housing, special housing needs, a variety of community facilities, infrastructure, and business development programs.

OFFICE OF THE UNDER SECRETARY FOR RURAL ECONOMIC AND
COMMUNITY DEVELOPMENT

Appropriations, 1995	\$568,000
Budget estimate, 1996	¹ 586,000
House allowance	568,000
Committee recommendation	568,000

¹The 1996 budget proposed that this activity be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for Rural Economic and Community Development provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's rural economic and community development activities. The Office has oversight and management responsibilities for the Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, and the Rural Utilities Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Rural Economic and Community Development, the Committee recommends an appropriation of \$568,000. This amount is \$18,000 less than the budget request, and the same as the House and 1995 levels.

RURAL COMMUNITY ADVANCEMENT PROGRAM

	Program	Administrative expenses
Appropriations, 1995 .....	.....	.....
Budget estimate, 1996 .....	.....	.....
House allowance .....	.....	.....
Committee recommendation	\$528,839,000	\$58,051,000

The Rural Community Advancement Program consolidates funding for the following existing programs:

Rural Housing and Community Development Service: Direct community facility loans; guaranteed community facility loans; and rental housing (sec. 515) loans for new construction.

Rural Business and Cooperative Development Service: Guaranteed rural business and industry loans; and rural business enterprise grants.

Rural Utilities Service: Rural water and waste disposal loans; rural water and waste disposal grants; and solid waste management grants.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$528,839,000 for the Rural Community Advancement Program, in addition, \$58,051,000 is provided for administrative expenses associated with the delivery of these programs. This is a proposed consolidation of funding for programs funded in other accounts in the House bill and budget request.

The Committee earmarks \$20,044,000 of the funds provided for empowerment zones and enterprise communities.

Rural business enterprise grants.—Of the amount made available for rural business enterprise grants, the Committee recommends \$500,000 for rural transportation systems technical assistance.

The Committee is aware of and encourages the Department to give consideration to the following rural business enterprise grant applications: television demonstration grants; Institute for Decision Making, Iowa; MidSouth Delta Local Initiative Support Corp., Mississippi; South Dakota Corporation for Rural Development, South Dakota; Lincoln, KS, Industrial Park, Kansas; Sea Island Community Development Corp., South Carolina; Oregon Trail Interpretive Center, Oregon; Vermont Interactive Television, Vermont; Vermont MEDNET, Vermont; Enterprise Corporation of the Delta, Mississippi; Union County, PA, Business Park, Pennsylvania; Hawaii Small Business Development Center; rural community revitalization, Hawaii; and specialty food producers, Vermont.

Rural water and waste disposal loans and grants.—Of the amount made available for rural water and waste disposal loans and grants, the Committee is aware of, and urges the Department to give consideration to, loan and/or grant applications from: the city of Yelm, WA; Centertown, KY; the county of Harford, MD; and communities on the islands of Kauai and Hawaii. The Committee also is aware of interest in installing dry fire hydrants to enhance firefighting capabilities in rural areas and urges the Department to give consideration to providing funding to assist in these efforts.

RURAL HOUSING AND COMMUNITY DEVELOPMENT SERVICE
PROGRAMS

The Rural Housing and Community Development Service [RHCD] was established under the Department of Agriculture Reorganization Act of 1994, dated October 13, 1994 (Public Law 103-354). Its programs were previously administered by the Farmers Home Administration and the Rural Development Administration.

The mission of the Service is to improve the quality of life in rural America by assisting rural residents and communities in obtaining adequate and affordable housing and access to needed community facilities. The goals and objectives are: (1) to facilitate the economic revitalization of rural areas by providing direct and indirect economic benefits to individual borrowers, families, and rural communities; (2) to assure that benefits are communicated to all program-eligible customers with special outreach efforts to target resources to underserved, impoverished, or economically declining rural areas; (3) to lower the cost of programs while retaining the benefits by redesigning more effective programs that work in partnership with State and local governments and the private sector; and (4) to leverage the economic benefits through the use of low-cost credit programs, especially guaranteed loans.

COMMITTEE RECOMMENDATIONS

The following table presents program levels recommended by the Committee for loan and grant programs administered by the Rural Housing and Community Development Service, compared to the 1995 levels and the 1996 budget request and House recommended levels:

RURAL HOUSING AND COMMUNITY DEVELOPMENT
LOAN AND GRANT LEVELS

[In thousands of dollars]

	1995 level	1996 budget	House allowance	Committee recommendation
Rural Housing Insurance Fund Program Account:				
Low-income housing (sec. 502):				
Direct	1,200,000	1,200,000	550,000	1,000,000
Guaranteed	1,000,000	1,300,000	1,700,000	1,700,000
Housing repair (sec. 504)	35,000	35,000	35,000	35,000
Farm labor housing (sec. 514)	15,915	16,482	15,000	15,000
Rental housing (sec. 515)	190,476	¹ 170,000	150,000	150,000
Site loans (sec. 524)	632	632	600	600
Credit sales of acquired property		75,000	35,000	42,484
Total, rural housing loan programs	2,442,023	2,797,114	2,485,600	2,943,084
Self-help housing land development	603	603	603	603
Community Facility Loans Program:				
Direct	225,000	(²)	200,000	(³)
Guaranteed	75,000	(²)	75,000	(³)

[In thousands of dollars]

	1995 level	1996 budget	House allowance	Committee recommendation
Total, Rural Community Facility Loans Program	300,000	(²)	275,000	(³)
Rural Housing and Community Development				
Service grants and payments:				
Very low-income housing repair grants	24,900	24,900	24,900	24,900
Rural housing for domestic farm labor	10,900	10,900	10,000	10,000
Mutual and self-help housing	12,650	12,650	12,650	12,650
Supervisory and technical assistance grants		2,500		1,000
Rural community fire protection grants	3,400	(²)	1,000	3,000
Compensation for construction defects	495	495	495	495
Rural housing preservation grants	22,000	22,000	11,000	11,000
Rental assistance	523,008	571,483	535,900	540,900
Total, Rural Housing and Community Development Service grants and payments	597,353	644,928	595,945	603,945
Total, RHCDS loans and grants	3,339,979	3,442,645	3,357,148	3,547,632

¹ Excludes \$50,000,000 for new construction included in the proposed Rural Development Performance Partnerships Program.

² Included in proposed Rural Development Performance Partnerships Program.

³ Included in proposed Rural Community Advancement Program.

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

	Insured loans	Guaranteed loans	Total loans
Appropriations, 1995	\$1,442,023,000	\$1,000,000,000	\$2,442,023,000
Budget estimate, 1996	1,497,114,000	1,300,000,000	2,797,114,000
House allowance	785,600,000	1,700,000,000	2,485,600,000
Committee recommendation	1,243,084,000	1,700,000,000	2,943,084,000

The Rural Housing Insurance Fund was established under the authority contained in section 1003(a) of the Housing and Urban Development Act of 1965 (Public Law 89-117), approved August 10, 1965. Public Law 89-117 authorized an appropriation of such sums as may be necessary for the purposes of the fund.

This fund may be used to insure or guarantee rural housing loans; loans for purchasing new or existing rural homes, loans for modernizing or improving rural dwellings, especially in order to make them safer or more sanitary; loans for rural rental and cooperative housing; farm labor housing loans; rural housing site loans; and mobile home park loans. Beginning in fiscal year 1978, rental assistance payments were made from the fund. Loan programs are limited to rural areas which include towns, villages, and other places of not more than 10,000 population, which are not part of an urban area, and areas with a population in excess of 10,000 but less than 20,000 if such area is not included in a standard metropolitan statistical area [SMSA] and has a serious lack of mortgage credit for low- and moderate-income borrowers.

This fund provides a variety of loans, within the income categories mentioned, including the following low-income housing as-

sistance: subsidized loans for repairs, general purpose loans, domestic farm labor loans, and rental or cooperative loans. Unsubsidized loans for low-income persons include general purpose loans, site loans, and certain repair loans.

Very low-income housing repair loans (sec. 504).—Loans are made to eligible very low-income applicants who are owners of farms or nonfarm rural property, for the purpose of improving or modernizing a rural dwelling, making the dwellings safer or more sanitary, or removing hazards. The Secretary determines the maximum amount of the loan. These secured loans are made at 1 percent interest and are repayable within 20 years, except that a loan for less than \$2,500 need only be secured by a promissory note.

Rural housing building and repair loans (sec. 502).—Loans are made to enable eligible low-income applicants to purchase, construct, improve, alter, repair, or replace dwellings in rural areas, if their need for necessary housing cannot be met with financial assistance from other sources. Not less than 40 percent of the funding authorized nationally shall be set aside and 30 percent in each State will be available for very low-income families. These loans bear a note rate based on the cost of money to the Treasury with provisions for interest credit which may reduce the interest rate to as low as 1 percent under certain circumstances. Such loans may not exceed amounts necessary to provide adequate housing, modest in size, design, and cost.

Rural rental and cooperative building loans (sec. 515).—Loans are authorized to be made to individuals, corporations, Indian tribes, associations, public bodies, trusts, or partnerships to provide moderate cost rental or cooperative housing and related facilities for elderly or handicapped persons or families and other persons of low and moderate income in rural areas. Repaired or rehabilitated rental projects are encouraged in order to provide affordable housing. These loans are repayable in not more than 50 years and currently bear a note rate based on the cost of money to the Treasury with provision for interest credit to tenants which may reduce the interest rate to as low as 1 percent under certain circumstances. These loans are made only if the need for necessary housing cannot be met with financial assistance from other sources except in the case of public bodies.

Farm labor housing loans (sec. 514).—Loans are authorized to be made to a farm owner, to certain public or broad-based private nonprofit organizations, public bodies, or to a nonprofit organization of farm workers to provide modest living quarters, basic household furnishing, and related facilities, including land necessary for an adequate site, for domestic farm labor. Loans will be made based on a determination of need considering housing needs of domestic farm labor, including migrant farm workers in the area, without regard to other housing needs in the area. These loans are repayable in not more than 33 years and bear interest not in excess of 1 percent, except under certain circumstances. Loans to organizations may be made simultaneously with farm labor housing grants which are discussed elsewhere in this report.

Rural housing site loans (sec. 524) (unsubsidized).—Loans are made for purchase and development of land to be subdivided into building sites for low- to moderate-income housing borrowers and

rural rental and cooperative housing borrowers. Insured loans are made at a note rate based on the cost of money to the Treasury, and are repayable in 2 years.

Credit sales of acquired property.—Property is sold out of inventory and is made to an eligible buyer by providing him with a RHCDS loan.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Insured	Guaranteed loan subsidy	Total subsidy	Administrative expenses
Appropriations, 1995	\$347,121,000	\$17,200,000	\$364,321,000	\$389,818,000
Budget estimates, 1996	381,601,000	2,210,000	383,811,000	395,211,000
House allowance	226,402,000	2,890,000	229,292,000	385,889,000
Committee recommendation	322,162,000	2,890,000	325,052,000	389,818,000

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1996, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The following table reflects the cost of the loan programs under credit reform:

[In thousands of dollars]

	1995 enacted	1996 budget	House allowance	Committee recommendation
Loan subsidies:				
Low-income housing (sec. 502):				
Direct	227,520	251,880	115,445	209,900
Guaranteed	17,200	2,210	2,890	2,890
Housing repair (sec. 504)	11,690	14,193	14,193	14,193
Farm labor housing (sec. 514)	7,911	9,482	8,629	8,629
Rental housing (sec. 515)	¹ 100,000	92,973	82,035	82,035
Guaranteed loan demonstration program			² (1,000)	
Site loans (sec. 524)				
Credit sales of acquired property		13,073	6,100	7,405
Total, loan subsidies	364,321	383,811	229,292	325,052
RHIF administrative expenses	389,818	395,211	385,889	389,818

¹ Reflects enacted rescission of \$15,500,000.

² Subject to enactment of authorizing legislation.

RENTAL ASSISTANCE PROGRAM

Appropriations, 1995	\$523,008,000
Budget estimate, 1996	¹ 571,483,000
House allowance	535,900,000
Committee recommendation	540,900,000

¹ Excludes \$15,517,000 in rental assistance for new construction included in proposed Rural Development Performance Partnerships Program.

The Housing and Community Development Act of 1974 established a rural rental assistance program to be administered by the former Farmers Home Administration through the rural housing loans programs.

The objective of the program is to reduce rents paid by low-income families living in Rural Housing and Community Development Service financed rental projects and farm labor housing projects. Under this program, low-income tenants will contribute the higher of: (1) 30 percent of monthly adjusted income; (2) 10 percent of monthly income; or (3) designated housing payments from a welfare agency.

Payments from the fund are made to the project owner for the difference between the tenant's payment and the approved rental rate established for the unit.

The program is administered in tandem with Rural Housing and Community Development Service section 515 rural rental and cooperative housing programs and the farm labor loan and grant programs. Priority is given to existing projects for units occupied by low-income families to renew expiring contracts. Remaining funding will be used for projects receiving new construction commitments under sections 514, 515, or 516 for very low-income families with certain limitations and to provide additional rental assistance units to existing projects.

COMMITTEE RECOMMENDATIONS

For rural rental assistance payments, the Committee recommends an appropriation of \$540,900,000. This amount is \$30,583,000 less than the budget request, \$5,000,000 more than the House level, and \$17,892,000 more than the 1995 amount.

SELF-HELP HOUSING LAND DEVELOPMENT FUND PROGRAM ACCOUNT

Loan level, 1995	\$603,000
Budget estimate, 1996	603,000
House allowance	603,000
Committee recommendation	603,000

This fund is authorized by section 523(b)(1)(B) of the Housing Act of 1949, as amended. It is used as a revolving fund for making loans to public and private nonprofit organizations for the acquisition and development of land as building sites to be subdivided and sold to eligible families, nonprofit organizations, and cooperatives.

COMMITTEE RECOMMENDATIONS

For self-help housing land development loans, the Committee recommends \$603,000. This amount is the same as the House level, the budget request, and the 1995 level.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Insured loan subsidy	Administrative expenses
Appropriations, 1995	\$11,000	\$14,000
Budget estimates, 1996	31,000	.....
House allowance	31,000	.....
Committee recommendation	31,000	.....

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 1996, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

For the self-help housing land development fund program account, the Committee recommends \$31,000 for the subsidy cost of the loan program under credit reform, and no appropriation for administrative expenses. These amounts are the same as the budget request and the House levels, and \$20,000 more than the 1995 subsidy appropriation and \$14,000 less than the 1995 administrative expenses appropriation.

RURAL COMMUNITY FACILITY LOANS PROGRAM ACCOUNT

	Insured loans	Guaranteed loans	Total loans
Loan level, 1995	\$225,000,000	\$75,000,000	\$300,000,000
Budget estimates, 1996 ¹ .....	.....	.....	.....
House allowance	200,000,000	75,000,000	275,000,000
Committee recommendation ² .....	.....	.....	.....

¹Included in proposed Rural Development Performance Partnerships Program.

²Included in Rural Community Advancement Program.

This fund, created by the Rural Development Act of 1972, finances a variety of rural community facilities.

Community facility loans.—Loans are made to organizations, including certain Indian tribes and corporations not operated for profit and public and quasi-public agencies, to construct, enlarge, extend, or otherwise improve community facilities providing essential services to rural residents. Such facilities include those providing or supporting overall community development such as fire and rescue services, health care, transportation, community, social, and cultural benefits. Loans are made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 people. Health care and fire and rescue facilities are the priorities of the program and receive the majority of available funds.

COMMITTEE RECOMMENDATIONS

The Committee includes funding for this program in the Rural Community Advancement Program. The budget requests funding for this program in the proposed Rural Development Performance Partnerships Program. The House recommends \$200,000,000 for insured and \$75,000,000 for guaranteed rural community facility

loans. For fiscal year 1995, \$225,000,000 is available for insured loans and \$75,000,000 for guaranteed loans.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Insured loan subsidy	Guaranteed loan subsidy	Total subsidy	Administrative expenses
Appropriations, 1995	\$21,375,000	\$3,728,000	\$25,103,000	.....
Budget estimates, 1996 ¹ .....	.....	.....	.....	.....
House allowance	34,880,000	3,555,000	38,435,000	\$8,836,000
Committee recommendation ² .....	.....	.....	.....	.....

¹ Included in proposed Rural Development Performance Partnerships Program.

² Included in Rural Community Advancement Program.

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1996, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

The Committee includes funding for this program in the Rural Community Advancement Program. The budget estimate includes loan subsidy costs in the proposed Rural Development Performance Partnerships Program. The House recommends a total loan subsidy appropriation of \$38,435,000 and an administrative expenses appropriation of \$8,836,000. The fiscal year 1995 subsidy appropriation totals \$25,103,000.

VERY LOW-INCOME HOUSING REPAIR GRANTS

Appropriations, 1995	\$24,900,000
Budget estimate, 1996	24,900,000
House allowance	24,900,000
Committee recommendation	24,900,000

This grant program is authorized under section 504 of title V of the Housing Act of 1949, as amended. The rural housing repair grant program is carried out by making grants to very low-income families to make necessary repairs to their homes in order to make such dwellings safe and sanitary, and remove hazards to the health of the occupants, their families, or the community.

These grants may be made to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports or making similar repairs, additions, or improvements, including all preliminary and installation costs in obtaining central water and sewer service. A grant can be made in combination with a section 504 very low-income housing repair loan.

No assistance can be extended to any one individual in the form of a loan, grant, or combined loans and grant in excess of \$5,000 and grant assistance is limited to persons, or families headed by persons, who are 62 years of age or older.

COMMITTEE RECOMMENDATIONS

For very low-income repair grants, the Committee recommends an appropriation of \$24,900,000. This amount is the same as the amount provided for 1995, the budget request, and the House proposed level.

RURAL HOUSING FOR DOMESTIC FARM LABOR

Appropriations, 1995	\$10,900,000
Budget estimate, 1996	10,900,000
House allowance	10,000,000
Committee recommendation	10,000,000

Financial assistance in the form of grants is authorized to public or private nonprofit organizations or other eligible organizations for low-rent housing and related facilities for domestic farm labor.

Under section 516 of the Housing Act of 1949, the Rural Housing and Community Development Service is authorized to share with States or other political subdivisions, public or private nonprofit organizations, or nonprofit organizations of farmworkers, the cost of providing low-rent housing, basic household furnishings, and related facilities to be used by domestic farm laborers. Such housing may be for year-round or seasonal occupancy and consist of family units, apartments, or dormitory-type units, constructed in an economical manner, and not of elaborate or extravagant design or materials. Grant assistance may not exceed 90 percent of the total development cost. Applicants furnish as much of the development cost as they can afford by using their own resources, by borrowing either directly from private sources, or by obtaining an insured loan under section 514 of the Housing Act. The applicant must agree to charge rentals which do not exceed amounts approved by the Secretary, maintain the housing at all times in a safe and sanitary condition, and give occupancy preference to domestic farm laborers.

The obligations incurred by the applicant as a condition of the grant continue for 50 years from the date of the grant unless sooner terminated by the Rural Housing and Community Development Service. Grant obligations are secured by a mortgage of the housing or other security. In the event of default, the Rural Housing and Community Development Service has the option to require repayment of the grant.

COMMITTEE RECOMMENDATIONS

For grants for rural housing for domestic farm labor, the Committee recommends an appropriation of \$10,000,000. This amount is the same as the House level, and \$900,000 less than the budget request and the 1995 amount.

MUTUAL AND SELF-HELP HOUSING GRANTS

Appropriations, 1995	\$12,650,000
Budget estimate, 1996	12,650,000
House allowance	12,650,000
Committee recommendation	12,650,000

This grant program is authorized by title V of the Housing Act of 1949, as amended. Grants are made to local organizations to promote the development of mutual or self-help programs under which

groups of usually 6 to 10 families build their own homes by mutually exchanging labor. Funds may be used to pay the cost of construction supervisors who will work with families in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance.

COMMITTEE RECOMMENDATIONS

For mutual and self-help housing grants, the Committee recommends an appropriation of \$12,650,000. This amount is the same as the amount provided for 1995, the budget request, and the House proposed level.

SUPERVISORY AND TECHNICAL ASSISTANCE GRANTS

Appropriations, 1995	
Budget estimate, 1996	\$2,500,000
House allowance	
Committee recommendation	1,000,000

This program is authorized under section 509(f)(6) of the National Affordable Housing Act and section 525 of the Housing Act of 1949. The program allows grants to be made to nonprofit organizations to assist with rural housing preparation, development, and management in underserved and poor counties.

COMMITTEE RECOMMENDATIONS

For supervisory and technical assistance grants, the Committee recommends \$1,000,000. This amount is \$1,000,000 more than the 1995 appropriation, \$1,500,000 less than the budget estimate, and \$1,000,000 more than the House level.

RURAL COMMUNITY FIRE PROTECTION GRANTS

Appropriations, 1995	\$3,400,000
Budget estimate, 1996	(¹)
House allowance	1,000,000
Committee recommendation	3,000,000

¹ Included in proposed Rural Development Performance Partnerships Program.

Rural community fire protection grants are authorized by section 7 of the Cooperative Forestry Assistance Act of 1978. Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas.

COMMITTEE RECOMMENDATIONS

For rural community fire protection grants, the Committee recommends \$3,000,000. This amount is \$400,000 less than the 1995 appropriation, and \$2,000,000 more than the House level. The budget estimate includes funding for this program in the proposed Rural Development Performance Partnerships Program.

COMPENSATION FOR CONSTRUCTION DEFECTS

Appropriations, 1995	\$495,000
Budget estimate, 1996	495,000
House allowance	495,000
Committee recommendation	495,000

This program is authorized under section 509(c) of the Housing Act of 1949, as amended. The Secretary of Agriculture is authorized to make expenditures to correct structural defects, or to pay claims of owners arising from such defects on newly constructed dwellings purchased with RHCDS financial assistance. Claims will not be paid until provisions under the builder's warranty have been fully pursued. Requests for compensation for construction defects must be made within 18 months of loan closing.

COMMITTEE RECOMMENDATIONS

The Committee recommends \$495,000 for compensation for construction defects. This amount is the same as the House recommendation, the budget request, and the 1995 level.

RURAL HOUSING PRESERVATION GRANTS

Appropriations, 1995	\$22,000,000
Budget estimate, 1996	22,000,000
House allowance	11,000,000
Committee recommendation	11,000,000

Section 522 of the Housing and Urban-Rural Recovery Act of 1983 authorizes the Rural Housing and Community Development Service to administer a program of home repair directed at low- and very low-income people.

Nationally, with only one-fourth of the population, rural areas have over 50 percent of the units lacking plumbing and over one-third of the units considered substandard.

The rural housing preservation grants program seeks to attack this problem by forging a working relationship between RHCDS and public bodies and nonprofit institutions capable of carrying out a program of home repair.

The purpose of the preservation program is to improve the delivery of rehabilitation assistance by employing the expertise of housing organizations at the local level. Eligible applicants will compete on a State-by-State basis for grant funds. These funds may be administered as loans, loan writedowns, or grants to finance home repair. The program will be administered by local grantees.

COMMITTEE RECOMMENDATIONS

For rural housing preservation grants, the Committee recommends an appropriation of \$11,000,000. This amount is \$11,000,000 less than the 1995 level and the budget estimate, and the same as the House proposal.

RURAL HOUSING AND COMMUNITY DEVELOPMENT SERVICE

SALARIES AND EXPENSES

	Appropriations	Transfers from other accounts	Total
Appropriations, 1995		\$389,818,000	\$389,818,000
Budget estimates, 1996	\$53,650,000	393,359,000	447,009,000
House allowance	42,820,000	381,800,000	424,620,000
Committee recommendation	50,346,000	377,031,000	427,377,000

These funds are used to administer the loan and grant programs of the Rural Housing and Community Development Service including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

Under credit reform administrative costs associated with loan programs are appropriated to the program accounts for the rural housing insurance fund and rural community facility loans. Appropriations to the "Salaries and expenses" account are for costs associated with grant programs.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Rural Housing and Community Development Service, including transfers from other accounts, the Committee recommends an appropriation of \$427,377,000. This amount is \$2,757,000 more than the House level, \$19,632,000 less than the budget request, and \$37,559,000 more than the 1995 amount.

The Committee does not concur with House report language directing the solicitation of competitive bids for the operation of a centralized loan servicing facility. The Committee supports centralized servicing of the section 502 housing loan portfolio and urges the Department to continue development of a system that will provide maximum savings within acceptable requirements of borrower assistance. The Committee believes this is an issue more appropriately addressed by the authorizing committees of jurisdiction. The Committee also believes the General Accounting Office needs adequate time to carefully analyze the costs and benefits of retaining the operation of this facility by the Rural Housing and Community Development Service. Therefore, solicitation of competitive bids at this time would be premature.

RURAL BUSINESS AND COOPERATIVE DEVELOPMENT SERVICE

The Rural Business and Cooperative Development Service [RBCDS] was established under the Department of Agriculture Reorganization Act of 1994, dated October 13, 1994 (Public Law 103-354). Its programs were previously administered by the Rural Development Administration and the Rural Electrification Administration.

The mission of the Rural Business and Cooperative Development Service is to enhance the quality of life for all rural residents by assisting new and existing cooperatives and other businesses through partnership with rural communities. The goals and objec-

tives are to: (1) promote a stable business environment in rural America through financial assistance, sound business planning, technical assistance, appropriate research, education, and information; (2) support environmentally sensitive economic growth that meets the needs of the entire community; and (3) assure that the Service benefits are available to all segments of the rural community, with emphasis on those most in need.

COMMITTEE RECOMMENDATIONS

The following table presents the Committee's recommended program levels for loans and grants administered by the Rural Business and Cooperative Development Service, as compared to the 1995 levels, the budget request, and the House levels.

LOAN AND GRANT PROGRAM LEVELS

(In thousands of dollars)

	1995 level	1996 budget	House allowance	Committee recommendation
Rural Business and Cooperative Development Service:				
Rural Business and Industry Loans Program:				
Direct		(¹)		(³)
Guaranteed	500,000	(¹)	500,000	(³)
Subtotal, Rural Business and Industry Loans Program	500,000	(¹)	500,000	(³)
Rural development loan fund	88,038	(¹)	7,246	30,000
Rural economic development loans	12,865	14,091	12,865	12,865
Alternative agricultural research and commercialization loans		25,000		
Total, RBCDS loans	600,903	39,091	520,111	42,865
Rural business and community development grants:				
Rural business enterprise grants	47,500	(¹)	45,000	(³)
Local technical assistance and planning grants	(²)	(¹)		
Rural technology and cooperative development grants	1,750	(¹)	1,500	1,500
Alternative agricultural research and commercialization cooperative agreements	5,000	8,000	5,000	10,000
Total, RBCDS grants	54,250	8,000	51,500	11,500
Total, RBCDS loans and grants	655,153	47,091	571,611	54,365

¹ Included in proposed Rural Development Performance Partnerships Program.

² Reflects enacted rescission of \$1,750,000.

³ Included in proposed Rural Community Advancement Program.

RURAL BUSINESS AND INDUSTRY LOANS PROGRAM ACCOUNT

	Insured loans	Guaranteed loans	Total loans
Loan level, 1995		\$500,000,000	\$500,000,000
Budget estimates, 1996 ¹			
House allowance		500,000,000	500,000,000
Committee recommendation		(²)	(²)

¹Included in proposed Rural Development Performance Partnerships Program.

²Included in Rural Community Advancement Program.

This fund created by the Rural Development Act of 1972, finances a variety of rural industrial development loans.

Rural industrialization loans.—Loans for rural industrialization and rural community facilities are authorized under the Rural Development Act amendments to the Consolidated Farm and Rural Development Act authorities. Business and industrial loans are made to public, private, or cooperative organizations organized for profit, to certain Indian tribes, or to individuals for the purpose of improving, developing or financing business, industry, and employment or improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, construction, enlargement, repair or modernization, financing the purchase and development of land, easements, rights-of-way, buildings, payment of startup costs, and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and not immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of less than 25,000.

COMMITTEE RECOMMENDATIONS

The Committee includes funding for this program in the Rural Community Advancement Program. The budget estimate includes funding for this program in the Proposed Rural Development Performance Partnerships Program. The House recommends \$500,000,000 for guaranteed loans, the same as the fiscal year 1995 level.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Insured loan subsidy	Guaranteed loan subsidy	Total subsidy	Administrative expenses
Appropriations, 1995		\$4,750,000	\$4,750,000	
Budget estimates, 1996 ¹				
House allowance		6,437,000	6,437,000	\$14,868,000
Committee recommendation		(²)	(²)	(²)

¹Included in proposed Rural Development Performance Partnerships Program.

²Included in Rural Community Advancement Program.

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and

loan guarantees committed in 1996, as well as for administrative expenses.

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

	<i>Insured loans</i>
Loan level, 1995	\$88,038,000
Budget estimate, 1996	(1)
House allowance	7,246,000
Committee recommendation	30,000,000

¹ Included in proposed Rural Development Performance Partnerships Program.

The rural development loan program was originally authorized by the Economic Opportunity Act of 1964 (Public Law 88-452).

The making of rural development loans by the Department of Agriculture is reauthorized by Public Law 99-425, the Human Services Reauthorization Act of 1986.

Loans are made to intermediary borrowers (small investment groups) who in turn reloan the funds to rural businesses, community development corporations, private nonprofit organizations, public agencies, and others, for the purpose of improving business, industry, community facilities, and employment opportunities and diversification of the economy in rural areas.

COMMITTEE RECOMMENDATIONS

For rural development loans, the Committee recommends a total loan level of \$30,000,000. This is \$58,038,000 less than the 1995 amount, \$22,754,000 more than the House level, and \$30,000,000 more than the budget request.

The Committee also recommends an earmark of \$10,870,000 for empowerment zones and enterprise communities, the same amount as proposed in the budget request, and \$3,624,000 more than the amount recommended by the House.

The Committee is aware of and encourages the Department to give consideration to an Intermediary Relending Program application from Coastal Enterprises, Inc., of Maine.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	Administrative expenses
Appropriations, 1995	\$46,000,000	\$1,476,000
Budget estimate, 1996 ¹		
House allowance	4,322,000	
Committee recommendation	17,895,000	1,476,000

¹ Included in proposed Rural Development Performance Partnerships Program.

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 1996, as well as for administrative expenses.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

	<i>Insured loans</i>
Loan level, 1995	\$12,865,000
Budget estimate, 1996	14,091,000
House allowance	12,865,000
Committee recommendation	12,865,000

The rural economic development loans program was established by the Reconciliation Act of December 1987 (Public Law 100-203), which amended the Rural Electrification Act of 1936 by establishing a new section 313. This section of the Rural Electrification Act (7 U.S.C. 901) establishes a cushion of credits payment program and creates the rural economic development subaccount. The Administrator of RBCDS is authorized under the act to utilize funds in this program to provide zero interest loans to electric and telecommunications borrowers for the purpose of promoting rural economic development and job creation projects, including funding for feasibility studies, startup costs, and other reasonable expenses for the purpose of fostering rural economic development.

COMMITTEE RECOMMENDATIONS

For rural economic development loans, the Committee recommends a total loan level of \$12,865,000. This is the same as the 1995 level and the House level, and \$1,226,000 less than the budget request.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Insured loan subsidy	Administrative expenses
Appropriations, 1995	\$3,077,000	.....
Budget estimate, 1996	4,085,000	\$864,000
House allowance	3,729,000	584,000
Committee recommendation	3,729,000	724,000

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 1996, as well as for administrative expenses.

COMMITTEE RECOMMENDATIONS

For rural economic development loans, the Committee recommends \$3,729,000 for the loan subsidy costs under credit reform. This amount is \$652,000 more than the 1995 level, \$356,000 less than the budget request, and the same as the House level.

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

REVOLVING FUND

COOPERATIVE AGREEMENTS

Appropriations, 1995	¹ \$5,000,000
Budget estimate, 1996	8,000,000
House allowance	5,000,000
Committee recommendation	10,000,000

¹ Reflects enacted rescission of \$1,500,000.

LOANS

Loan level, 1995 .....	.....
Budget estimate, 1996	\$25,000,000
House allowance .....	.....
Committee recommendation .....	.....

The Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901 et seq.) authorizes the provision of assistance on a competitive basis to foster the development and commercialization of new nonfood, nonfeed products derived from agricultural and forestry materials and animal byproducts. Development of nontraditional uses for farm, ranch, and forestry products provides an opportunity to improve U.S. competitiveness in foreign markets, support rural development and provide employment opportunities in rural areas, address environmental concerns, and lower farm program costs. Programs are managed by the Alternative Agricultural Research and Commercialization [AARC] Center which was established by the Secretary of Agriculture on March 18, 1992. Program policy and oversight is provided by a board which is composed of Federal and private sector scientists, producers, and business experts.

The alternative agricultural research and commercialization revolving fund (7 U.S.C. 5908) is available to carry out the authorized programs and activities of the Center. The revolving fund also contains fees and royalties, donations, and other funds received by the AARC Center. Funds support the development and commercialization of new industrial and consumer products and uses for agricultural and forestry materials, with preference for projects that benefit rural communities, and are environmentally friendly.

Support may be provided through competitively awarded grants, contracts, and cooperative agreements. These investments are repayable to the AARC revolving fund. Ultimate commercial interest in projects is assured through private sector representation on the AARC Board and project selection criteria that require the matching of funds and incorporate the sharing of resources and risks (cash and expertise). AARC programs complement research on new uses conducted by the Agricultural Research Service and Forest Service at Federal labs, and grant programs managed by the Cooperative State Research, Education, and Extension Service.

COMMITTEE RECOMMENDATIONS

For alternative agricultural research and commercialization cooperative agreements, the Committee recommends an appropriation of \$10,000,000. This is \$5,000,000 more than the 1995 amount,

\$2,000,000 more than the budget request, and \$5,000,000 more than the House level.

For alternative agricultural research and commercialization loans, the Committee recommends no funding. This is \$25,000,000 less than the budget request, and the same as the House level. This is a proposed new program not funded for fiscal year 1995.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Insured loan subsidy	Administrative expenses
Appropriations, 1995		
Budget estimate, 1996	\$7,138,000	\$500,000
House allowance		
Committee recommendation		

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 1996, as well as for administrative expenses.

RURAL BUSINESS ENTERPRISE GRANTS

Appropriations, 1995	\$47,500,000
Budget estimate, 1996	(¹)
House allowance	45,000,000
Committee recommendation	(²)

¹ Included in proposed Rural Development Performance Partnerships Program.

² Included in Rural Community Advancement Program.

This program is authorized by the Rural Development Act of 1972. Grants are made to public bodies and nonprofit organizations to facilitate development of small and emerging business enterprises in rural areas, including the acquisition and development of land; the construction of buildings, plants, equipment, access streets and roads, parking areas, utility extensions; refinancing; fees; technical assistance; and startup operating costs and working capital.

COMMITTEE RECOMMENDATIONS

The Committee includes funding for this program in the Rural Community Advancement Program. The budget request includes funding for this program in the proposed Rural Development Performance Partnerships Program. The House recommends \$45,000,000, \$2,500,000 less than the 1995 level.

RURAL TECHNOLOGY AND COOPERATIVE DEVELOPMENT GRANTS

Appropriations, 1995	\$1,750,000
Budget estimate, 1996	(¹)
House allowance	1,500,000
Committee recommendation	1,500,000

¹ Included in proposed Rural Development Performance Partnerships Program.

This grant program is authorized by section 310(f) of the Consolidated Farm and Rural Development Act, as amended by section 2347 of the Food, Agriculture, Conservation and Trade [FACT] Act of 1990. These grants are made available to public bodies and non-

profit organizations to fund the establishment and operation of centers for rural technology or cooperative development with their primary purpose being the improvement of economic conditions in rural areas. Funds are used to promote the development (through technological innovation, cooperative development, and adaptation of existing technology) and commercialization of new services and products that can be produced or provided in rural areas; new processes that can be utilized in the production of products in rural areas; and new enterprises that add value to on-farm production through processing or marketing. The Rural Business and Cooperative Development Service proposes to fund up to 75 percent of the project cost while requiring the applicant's contribution be at least 25 percent which must be cash from non-Federal sources.

COMMITTEE RECOMMENDATIONS

For rural technology and cooperative development grants, the Committee recommends an appropriation of \$1,500,000. This amount is \$250,000 less than the 1995 appropriation, and the same as the House level. The budget request includes funding for this program in the proposed Rural Development Performance Partnerships Program.

Of the amount provided, \$1,300,000 may be provided to the Appropriate Technology Transfer for Rural Areas Program.

LOCAL TECHNICAL ASSISTANCE AND PLANNING GRANTS

Appropriations, 1995	(1)
Budget estimate, 1996	(2)
House allowance	
Committee recommendation	

¹ Reflects enacted rescission of \$1,750,000.

² Included in proposed Rural Development Performance Partnerships Program.

This grant program is authorized by section 306(a)(11)(A) of the Consolidated Farm and Rural Development Act, as amended by section 2341 of the Food, Agriculture, Conservation and Trade Act of 1990. It is designed to assist in the economic development of rural areas by providing technical assistance for business development and economic development planning. Grant funds may be used to identify and analyze business opportunities that would use local economic and human resources; provide technical assistance to existing or prospective rural entrepreneurs; establish business support centers and otherwise assist in the creation of new rural businesses; and to conduct regional, community and local economic development planning and coordination, and leadership development. RBCDS funds up to 75 percent of the project cost while requiring the applicant's contribution be at least 25 percent which must be cash from non-Federal sources.

COMMITTEE RECOMMENDATIONS

The Committee provides no funding for local technical assistance and planning grants, the same as the 1995 level and the House recommendation. The budget request includes funding for this program as part of the proposed Rural Development Performance Partnerships Program.

RURAL BUSINESS AND COOPERATIVE DEVELOPMENT SERVICE

SALARIES AND EXPENSES

	Appropriations	Transfers from loan accounts	Total
Appropriations, 1995	\$95,105,000	\$1,490,000	\$96,595,000
Budget estimate, 1996	(¹)	23,394,000	23,394,000
House allowance	9,520,000	15,331,000	24,851,000
Committee recommendation	9,013,000	2,194,000	11,207,000

¹ Included in proposed Rural Development Performance Partnerships Program.

These funds are used to administer the loan and grant programs of the Rural Business and Cooperative Development Service including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

Under credit reform, administrative costs associated with loan programs are appropriated to the program accounts for the rural development loan fund and rural economic development loans. Appropriations to the "Salaries and expenses" account are for costs associated with grant programs.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Rural Business and Cooperative Development Service, the Committee recommends an appropriation of \$11,207,000. This amount is \$85,388,000 less than the level provided for 1995, \$12,187,000 less than the budget request, and \$13,644,000 less than the House recommended level.

The Committee is aware of proposed reductions in direct commodity assistance programs. The Committee recognizes that reductions in these programs would increase the need to maintain and strengthen assistance to farmers to join together in cooperative efforts carried out by the Rural Business and Cooperative Development Service's Cooperative Services Program. The Committee expects the Department to ensure that necessary resources are allocated for this purpose.

RURAL UTILITIES SERVICE

The Rural Utilities Service [RUS] was established under the Department of Agriculture Reorganization Act of 1994 (Public Law 103-354), October 13, 1994. RUS administers the electric and telecommunications programs of the former Rural Electrification Administration and the water and waste programs of the former Rural Development Administration.

The mission of the RUS is to serve a leading role in improving the quality of life in rural America by administering its electric, telecommunications, and water and waste disposal programs in a service-oriented, forward-looking, and financially responsible manner. All three programs have the common goal of modernizing and revitalizing rural communities. RUS provides funding and support service for utilities serving rural areas. The public-private partnerships established by RUS and local utilities assist rural communities in modernizing local infrastructure and creating jobs. RUS

programs are also characterized by the substantial amount of private investment which is leveraged by the public funds invested into infrastructure and technology, resulting in the creation of new sources of employment.

RURAL WATER AND WASTE DISPOSAL LOANS PROGRAM ACCOUNT

Loan level, 1995	\$905,523,000
Budget estimate, 1996	(1)
House allowance	(1)
Committee recommendation	(2)

¹Included in proposed Rural Development Performance Partnerships Program.
²Included in Rural Community Advancement Program.

The water and waste program is authorized by several actions, including sections 306, 306A, 309A, and 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq., as amended).

Water and waste disposal loans.—Loans are made for water and waste disposal development costs. Development loans are made to associations, including corporations operating on a nonprofit basis, municipalities and similar organizations, generally designated as public or quasi-public agencies, that propose projects for the development, storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas.

COMMITTEE RECOMMENDATIONS

The Committee includes funding for this program in the Rural Community Advancement Program. The House and budget request include funding for this loan program in the proposed Rural Development Performance Partnerships Program.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	Administrative expenses
Appropriations, 1995	\$126,502,000	.....
Budget estimate, 1996 ¹ .....	.....	.....
House allowance ¹ .....	.....	.....
Committee recommendation ² .....	.....	.....

¹Included in proposed Rural Development Performance Partnerships Program.
²Included in Rural Community Advancement Program.

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1996, as well as for administrative expenses.

RURAL ELECTRIFICATION AND TELEPHONE LOANS PROGRAM ACCOUNT

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), (as amended) provides the statutory authority for the electric and telecommunications programs.

COMMITTEE RECOMMENDATIONS

The following table reflects the Committee's recommended levels for rural electric and telephone loans administered by the Rural Utilities Service, as compared to the 1995 levels, the budget request, and the levels proposed by the House.

The Committee is aware of the unique needs of Alaskan communities for upgrades to electric systems in numerous areas and for the provision of electricity in Sitka and Blue Lake. The Committee expects the Department to work with the State to ensure that maximum assistance is provided to these communities.

	1995 loan level	1996 budget	House allowance	Committee recommendation
Electric loans:				
RE A 5 percent	\$100,000,000	\$100,000,000	\$90,000,000	\$90,000,000
FFB insured	300,000,000	400,000,000	300,000,000	300,000,000
Municipal-rate	575,250,000	575,250,000	500,000,000	550,000,000
Total, electric	975,250,000	1,075,250,000	890,000,000	940,000,000
Telephone loans:				
RE A 5 percent	54,534,000	75,000,000	70,000,000	70,000,000
Treasury-rate	297,000,000	300,000,000	300,000,000	300,000,000
FFB insured	120,000,000	120,000,000	120,000,000	120,000,000
Total, telephone	471,534,000	495,000,000	490,000,000	490,000,000
Total, rural electrification and telephone loans program account	1,446,784,000	1,570,250,000	1,380,000,000	1,430,000,000

COMMITTEE RECOMMENDATIONS

The following table reflects the costs of the electric and telephone loan programs under credit reform:

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

[In thousands of dollars]

	Fiscal year 1995 enacted	Fiscal year 1996 budget	House allowance	Committee recommendation
Loan subsidies:				
Direct loans:				
Electric (5 percent)	9,703	23,520	21,168	21,168
Telephone (5 percent)	13,997	14,955	13,958	13,958
Subtotal	13,700	38,475	35,126	35,126
Treasury-rate: Telephone	60	60	60	60
Municipal-rate	46,020	62,300	54,150	59,565
FFB loans: Electric, regular	450	3,360	2,520	2,520
Negative subsidy		-1,715		
Total, loan subsidies	60,230	102,480	91,856	97,271

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS—Continued

(In thousands of dollars)

	Fiscal year 1995 enacted	Fiscal year 1996 budget	House allow- ance	Committee recommenda- tion
Rural Electrification and Telephone Loan Pro- gram administrative expenses	29,982	34,385	29,982	32,183

¹ Reflects enacted rescission of \$1,500,000.

RURAL TELECOMMUNICATION PARTNERSHIP LOAN PROGRAM ACCOUNT

	<i>Estimated loan level</i>
Appropriations, 1995	
Budget estimate, 1996	\$15,000,000
House allowance	
Committee recommendation	

The rural telecommunication partnership loans program is a new program proposed for fiscal year 1996 under the provisions of the Food, Agriculture, Conservation, and Trade Act of 1990. These loans will enhance the business environment by providing facilities not normally available in rural areas but needed to compete in the global business environment. These loans will improve job opportunities in rural areas and enhance public safety and provide efficient local government services to rural residents and businesses. Loans will be made at low-interest rates and at market rates to businesses, local governments, or public agencies in rural areas to fund facilities in which the loan recipients share telecommunications terminal equipment, computers, computer software, and computer hardware. This program is proposed to improve telecommunication services in rural areas and provide access to advanced telecommunication services and computer networks to improve job opportunities and the business environment in rural areas.

COMMITTEE RECOMMENDATIONS

For the rural telecommunications partnership loans program, the Committee recommends no funding. This is \$15,000,000 below the budget request and the same as the House recommendation. The program was not funded for fiscal year 1995.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	Administrative expenses
Appropriations, 1995		
Budget estimates, 1996	\$594,000	\$1,110,000
House allowance		
Committee recommendation		

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 1996, as well as for administrative expenses.

RURAL TELEPHONE BANK PROGRAM ACCOUNT

Loan levels, 1995	\$175,000,000
Budget estimate, 1996	
House allowance	175,000,000
Committee recommendation	175,000,000

The Rural Telephone Bank [RTB] is required by law to begin privatization (repurchase of federally owned stock) in fiscal year 1996. RTB borrowers are able to borrow at private market rates and no longer require Federal assistance.

The Rural Telephone Bank is managed by a 13-member board of directors. The Administrator of RUS serves as Governor of the Bank until conversion to private ownership, control, and operation. This will take place when 51 percent of the class A stock issued to the United States and outstanding at any time after September 30, 1995, has been fully redeemed and retired. Activities of the Bank are carried out by RUS employees and the Office of the General Counsel of the U.S. Department of Agriculture.

COMMITTEE RECOMMENDATIONS

For Rural Telephone Bank loans, the Committee recommends \$175,000,000, the same as the 1995 level and the House recommendation. The budget does not request funds for Rural Telephone Bank loans. The administration proposes to privatize the Bank in fiscal year 1996.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Loan subsidy	Administrative expenses
Appropriations, 1995	\$770,000	\$8,794,000
Budget estimate, 1996		
House allowance	770,000	3,541,000
Committee recommendation	5,023,000	6,167,000

For Rural Telephone Bank loans, the Committee recommends \$5,023,000 for loan subsidy costs under credit reform. This amount is \$4,253,000 more than the 1995 level, \$5,023,000 more than the budget estimate, and \$4,253,000 more than the House level.

DISTANCE LEARNING AND MEDICAL LINK GRANT PROGRAM

Appropriations, 1995	\$7,500,000
Budget estimate, 1996	15,000,000
House allowance	7,500,000
Committee recommendation	7,500,000

The distance learning and medical link program was established by the Rural Economic Development Act of 1990 (104 Stat. 4106, 7 U.S.C. 950a et seq.). This program is authorized in the Food, Agriculture, Conservation, and Trade Act of 1990 to provide incentives to improve the quality of phone services, to provide access to advanced telecommunications services and computer networks, and to improve rural opportunities.

This program provides the facilities and equipment to link rural education and medical facilities with more urban centers and other facilities providing rural residents access to better health care

through technology and increasing educational opportunities for rural students.

COMMITTEE RECOMMENDATIONS

For distance learning and medical link grants, the Committee recommends an appropriation of \$7,500,000. This amount is \$7,500,000 less than the budget request, and the same as the House and the 1995 levels.

The Committee is aware of and encourages the Department to give consideration to a distance learning and medical link grant application from Louisiana State University and the Louisiana Governor's Office of Rural Development; Maui Community College, HI; and the North Hawaii Community Hospital.

RURAL WATER AND WASTE DISPOSAL GRANTS

Appropriations, 1995	\$500,000,000
Budget estimate, 1996	(1)
House allowance	(1)
Committee recommendation	(2)

¹ Included in proposed Rural Development Performance Partnerships Program.
² Included in Rural Community Advancement Program.

Water and waste disposal grants.—Grants are provided for water and waste disposal development costs. Development grants are made to associations, including corporations operating on a non-profit basis, municipalities and similar organizations, generally designated as public or quasi-public agencies, that propose projects for development, storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas. Such grants may not exceed 75 percent of the development cost of the projects and can supplement other funds borrowed or furnished by applicants to pay development costs.

COMMITTEE RECOMMENDATIONS

The Committee includes funding for this program in the Rural Community Advancement Program. The budget request and House include funding for this program in the proposed Rural Development Performance Partnerships Program. Funding of \$500,000,000 is available for 1995.

SOLID WASTE MANAGEMENT GRANTS

Appropriations, 1995	\$2,995,000
Budget estimates, 1996	(1)
House allowance	(1)
Committee recommendation	(2)

¹ Included in proposed Rural Development Performance Partnerships Program.
² Included in Rural Community Advancement Program.

This grant program is authorized under section 310B(b)(2) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to public bodies and private nonprofit organizations to provide technical assistance to local and regional governments for the purpose of reducing or eliminating pollution of water resources and for improving the planning of management of solid waste disposal facilities.

COMMITTEE RECOMMENDATIONS

The Committee includes funding for this program in the Rural Community Advancement Program. The budget request and the House include funding for this program in the proposed Rural Development Performance Partnerships Program. Funding of \$2,995,000 is available for 1995.

RURAL DEVELOPMENT PERFORMANCE PARTNERSHIPS PROGRAM

Appropriations, 1995	
Budget estimate, 1996	\$1,049,974,000
House allowance	435,000,000
Committee recommendation	

On May 2, 1995, the administration submitted amendments to its fiscal year 1996 budget request to create a Rural Development Performance Partnerships Program. This new program would consolidate funding for 14 existing rural development programs and place the ultimate decision for allocation of funding among these programs with State directors.

The following table illustrates the revisions the May 22, 1995, budget amendments make to the requests contained in the President's February 1995 budget submission.

[In thousands of dollars]

	Fiscal year 1996	
	Original request	Amended request
Rural utilities service:		
Solid waste management grants	3,000	
Rural water and waste disposal grants	590,000	
Rural water and waste disposal loans	218,218	
Rural housing and community development service:		
Rental assistance program	587,000	571,483
Rural community fire protection grants	3,400	
Rural community facility loans program account	59,587	
Rural housing insurance fund program account	806,367	779,022
Rural Business and Cooperative Development Service:		
Salaries and expenses	9,589	
Rural technology and cooperative development grants	3,800	
Local technical assistance and planning grants	2,500	
Rural business enterprise grants	48,000	
Rural business and industry loans program account	30,072	
Rural development loan fund program account	56,646	

COMMITTEE RECOMMENDATIONS

The Committee recommends no funding for the proposed Rural Development Performance Partnerships Program. This is \$1,049,974,000 less than the budget estimate and \$435,000,000 less than the House recommended amount. The House proposes the consolidation of funding for the rural water and waste disposal loans, rural water and waste disposal grants, solid waste management grants, and associated administrative expenses under this heading.

RURAL UTILITIES SERVICE
SALARIES AND EXPENSES

	Appropriations	Transfers from loan accounts	Total
Appropriations, 1995		\$38,776,000	\$38,776,000
Budget estimates, 1996	\$19,627,000	53,603,000	73,230,000
House allowance	19,211,000	46,464,000	65,675,000
Committee recommendation	18,449,000	38,668,000	57,117,000

These funds are used to administer the loan and grant programs of the Rural Utilities Service, including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

Under credit reform, administrative costs associated with loan programs are appropriated to the program accounts for rural electrification and telephone loans and the rural telephone bank. Appropriations to the "Salaries and expenses" account are for costs associated with grant programs.

COMMITTEE RECOMMENDATIONS

For salaries and expenses of the Rural Utilities Service, the Committee recommends an appropriation of \$57,117,000. This amount is \$18,341,000 more than the 1995 level, \$16,113,000 less than the budget request, and \$8,558,000 less than the House recommended level.

TITLE IV—DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

Appropriations, 1995	\$540,000
Budget estimate, 1996	¹ 553,000
House allowance	440,000
Committee recommendation	540,000

¹The 1996 budget proposed that this office be funded in a single account under the Office of the Secretary.

The Office of the Under Secretary for Food, Nutrition and Consumer Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's food and consumer activities. The Office has oversight and management responsibilities for the Food and Consumer Service.

COMMITTEE RECOMMENDATIONS

For the Office of the Under Secretary for Food, Nutrition and Consumer Services, the Committee recommends an appropriation of \$540,000. This amount is the same as the 1995 level, \$13,000 less than the budget request, and \$100,000 more than the House-recommended level.

FOOD AND CONSUMER SERVICE

The Food and Nutrition Service was established August 8, 1969, by Secretary's Memorandum No. 1659 and supplement 1 pursuant to the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953. The Agency was renamed the Food and Consumer Service [FCS] by the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6901). It represents an organizational effort to eliminate hunger and malnutrition in this country. Food assistance programs provide access to a nutritionally adequate diet for families and persons with low incomes, and encourage better eating patterns among the Nation's children. These programs include:

Child nutrition programs.—The national school lunch and school breakfast, summer food service, and child and adult care food programs provide funding to the States, Puerto Rico, the Virgin Islands, and Guam for use in serving nutritious lunches and breakfasts to children attending schools of high school grades and under, to children of preschool age in child care centers, and to children in other institutions in order to improve the health and well-being of the Nation's children, and broaden the markets for agricultural food commodities. Through the special milk program, assistance is provided to the States for making reimbursement payments to eligible schools and child care institutions which institute or expand milk service in order to increase the consumption of fluid milk by

children. Funds for this program are provided by direct appropriation and transfer from section 32.

Food Stamp Program.—This program is aimed at making more effective use of the Nation's food supply and at improving nutritional standards of needy persons and families. Assistance is provided to eligible households to enable them to obtain a better diet by increasing their food purchasing capability, usually by furnishing benefits in the form of food stamps. The program also includes nutrition assistance to Puerto Rico. The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) authorizes a block grant for nutrition assistance to Puerto Rico which gives the Commonwealth broad flexibility in establishing a food assistance program that is specifically tailored to the needs of its low-income households. Funds for this program are provided by direct appropriation.

Special supplemental food program for women, infants, and children [WIC].—This program safeguards the health of pregnant, post partum, and breast-feeding women; infants; and children up to age 5 who are at nutritional risk because of inadequate nutrition and inadequate income by providing supplemental foods. The delivery of supplemental foods may be done through health clinics, vouchers redeemable at retail food stores, or other approved methods which a cooperating State health agency may select. Funds for this program are provided by direct appropriation.

Commodity supplemental food program [CSFP].—This program provides supplemental foods to infants and children up to age 6, and to pregnant, post partum, and breast-feeding women with low incomes, and who reside in approved project areas. In addition, this program operates commodity distribution projects directed at low-income elderly persons as authorized by the FACT Act, Public Law 101-624. Funds for this program are provided by direct appropriation.

Food donations programs for selected groups.—Nutritious agricultural commodities are provided to low-income persons living on or near Indian reservations who choose not to participate in the food stamp program and to residents of the Pacific Territory of Palau and Federated States of Micronesia and the Marshall Islands. Participants receive information about nutrition, proper storage, sanitary food preparation methods and suggestions for using donated foods. Cash assistance is provided to distributing agencies to assist them in meeting administrative expenses incurred. Commodities, or cash in lieu of commodities, are provided to assist nutrition programs for the elderly. In addition, commodities will be provided to soup kitchens and food banks in fiscal year 1996. Funds for this program are provided by direct appropriation.

The emergency food assistance program [TEFAP].—This program provides commodities and grant funds to State agencies to assist in the cost of storage and distribution of donated commodities. Under this program, assistance may be provided through the distribution of commodities to charitable institutions, food banks, hunger centers, soup kitchens, and similar nonprofit agencies providing nutrition assistance to relieve situations of emergency and distress. Funds for this program are provided by direct appropriation.

Food program administration.—All salaries and Federal operating expenses of the Food and Consumer Service are funded from

this account. As of September 30, 1994, there were 1,790 full-time permanent and 68 part-time and temporary employees in the Agency. FCS's headquarters staff, which is located in Alexandria VA, totals 607, and 1,251 FCS employees are located in the field. There are 7 regional offices employing 844 employees, and the balance of the Agency is located in 6 food stamp compliance offices, 1 computer support center in Minneapolis, MN, 5 administrative review offices, and 84 field offices. Funds for this program are provided by direct appropriation.

CHILD NUTRITION PROGRAMS

	Appropriation	Section 32 transfers	Total
Appropriations, 1995	\$2,202,274,000	\$5,249,077,000	¹ \$7,451,351,000
Budget estimate, 1996	2,399,942,000	5,520,492,000	7,920,434,000
House allowance	2,354,566,000	5,597,858,000	7,952,424,000
Committee recommendation	2,354,752,000	5,597,858,000	7,952,610,000

¹Appropriations of \$7,451,351,000 have not been adjusted to reflect activities previously funded through the Special Milk Program (\$18,089,000) and transfers of \$12,123,000 to be funded by permanent appropriations pursuant to Public Law 103-448; \$28,213,000 to be funded in nutrition initiatives for 1996; and \$11,259,000 to be funded in food program administration for 1996.

The child nutrition programs, authorized by the National School Lunch Act and the Child Nutrition Act of 1966, provide Federal assistance to State agencies in the form of cash and commodities for use in preparing and serving nutritious meals to children while they are attending school, residing in service institutions, or participating in other organized activities away from home. The purpose of this program is to help maintain the health and proper physical development of America's children. Milk is provided to children either free or at a low cost depending on their family income level. FCS provides cash subsidies to States administering the programs; and directly administers the program in the States which choose not to do so. Grants are also made for nutritional training and surveys and for State administrative expenses. Under current law, most of these payments are made on the basis of reimbursement rates established by law and applied to lunches and breakfasts actually served by the States. The reimbursement rates are adjusted annually to reflect changes in the Consumer Price Index for food away from home.

The Child Nutrition and WIC Reauthorization Act of 1989, Public Law 101-147, contains a number of child nutrition provisions. These include:

Summer Food Service Program [SFSP].—Reauthorizes and expands SFSP to private, nonprofit organizations under certain conditions.

School Breakfast Program [SBP].—Provides startup grants for programs serving low-income children.

Child and Adult Care Food Program [CACFP].—Provides funds for demonstration projects to expand services to homeless children and family day care homes in low-income areas.

National School Lunch Program [NSLP].—(1) Mandates a unified system for compliance and accountability to integrate Federal and State efforts and provide for increased Federal monitoring of

SFSP operations; and (2) authorizes the Food Service Management Institute to improve school food service operations.

Nutrition education and training [NET].—Requires demonstration projects and studies to examine a number of program issues. This information aids in making informed decisions and improving program operations. Public Law 95–166 institutes a program of grants to the States for nutrition education in schools.

A description of child nutrition programs follows:

1. *Cash payments to States.*—The programs are operated under an agreement entered into by the State agencies and the Department. Funds are made available under letters of credit to State agencies for use in reimbursing participating schools and other institutions. Sponsors make application to the State agencies, and if approved, are reimbursed on a per-meal basis in accordance with the terms of their agreements and rates prescribed by law. The reimbursement rates are adjusted annually to reflect changes in the Consumer Price Index for food away from home.

(a) *School Lunch Program.*—Assistance is provided to the States for the service of lunches to all school children, regardless of family income. States must match some of the Federal cash grant. In fiscal year 1996, the School Lunch Program will provide assistance for serving an estimated 4.3 billion school lunches including 1.9 billion for children from upper-income families and 2.4 billion for children from lower and low-income families. An estimated 25.8 million children are expected to participate in the program daily during the school year.

(b) *Special assistance for free and reduced-price lunches.*—Additional assistance is provided to the States for serving lunches free or at a reduced price to needy children. In fiscal year 1996, under current law, the program will provide assistance for about 2.4 billion lunches, of which 2.1 billion will be served free of charge and 0.3 billion at reduced price. Over 14 million needy children will participate in the program on an average schoolday during the year.

(c) *School Breakfast Program.*—Federal reimbursement to the States is based on the number of breakfasts served free, at a reduced price, or at the general rate for those served to nonneedy children. Certain schools are designated in severe need because, in the second preceding year, they served at least 40 percent of their lunches at free or reduced prices and because the regular breakfast reimbursement is insufficient to cover cost, receive higher rates of reimbursement in both the free and reduced-price categories. In fiscal year 1996, the program will serve an estimated 1.2 billion breakfasts to a daily average of 6.9 million children.

(d) *State administrative expenses.*—The funds may be used for State employee salaries, benefits, support services, and office equipment. Public Law 95–627 made the State administrative expenses grant equal to 1.5 percent of certain Federal payments in the second previous year. In fiscal year 1996, \$100,300,000 will be allocated among the States to fund ongoing State administrative expenses and to improve the management of various nutrition programs.

(e) *Summer Food Service Program.*—Meals served free to children in low-income neighborhoods during the summer months are supported on a performance basis by Federal cash subsidies to State agencies. Funds are also provided for related State and local administrative expenses. During the summer of 1996, approximately 134.7 million meals will be served.

(f) *Child and Adult Care Food Program.*—Preschool children receive year-round food assistance in nonprofit child care centers and family and group day care homes under this program. Public Law 97–35 permits profitmaking child care centers receiving compensation under title XX of the Social Security Act to participate in the program if 25 percent of the children served are title XX participants. Certain adult day care centers are also eligible for participation in this program, providing subsidized meals to nonimpaired individuals age 60 years or older. The Child and Adult Care Food Program reimburses State agencies at varying rates for breakfasts, lunches, suppers, and meal supplements and for program-related State audit expenses. In fiscal year 1996, approximately 1.7 billion meals will be served.

2. *Commodity procurement.*—Commodities are purchased for distribution to the school lunch, child care food, and summer food service programs. The minimum commodity support rate for all school lunch and child care center lunches and suppers served is mandated by law and adjusted annually on July 1 to reflect changes in the producer price index for food used in schools and institutions. The commodities purchased with these funds are supplemented by commodities purchased with section 32 funds.

3. *Nutrition studies and education.*—

(a) *Nutrition education and training [NET].*—This program provides funds to State agencies for the development of comprehensive nutrition education and information programs for children participating in or eligible for school lunch and related child nutrition programs.

(b) *Food Service Management Institute [FSMI].*—The Food Service Management Institute provides instruction for educators and school food service personnel in nutrition and food service management.

4. *Special milk.*—In fiscal year 1996 approximately 162 million half-pints will be served in the Special Milk Program. These include about 152 million half-pints served to children whose family income is above 130 percent of poverty. During fiscal year 1996, the average full cost reimbursement for milk served to needy children is expected to be 14.7 cents for each half-pint. Milk served to nonneedy children is expected to be reimbursed at 11.3 cents for each half-pint.

COMMITTEE RECOMMENDATIONS

For the child nutrition programs, the Committee recommends an appropriation of \$2,354,752,000, plus transfers from section 32 of \$5,597,858,000, for a total program of \$7,952,610,000. This amount is \$501,259,000 more than the 1995 program level, \$186,000 more than the House level, and \$32,176,000 more than the budget request.

The Committee's recommendation provides for the following annual rates for the child nutrition programs.

TOTAL OBLIGATIONAL AUTHORITY

(In thousands of dollars)

Child Nutrition Programs	1995 estimate	1996 budget	House allowance	Committee recommendation
School Lunch Program	4,260,302	4,433,690	4,433,690	4,433,690
School Breakfast Program	1,053,786	1,160,454	1,160,454	1,160,454
State administrative expenses	92,196	100,308	101,607	100,308
Summer Food Service Program	256,456	280,303	280,303	280,303
Child and Adult Care Food Program	1,481,349	1,657,493	1,657,493	1,657,493
Special Milk Program	(¹)	18,652	18,652	18,652
Commodity procurement	263,077	269,534	275,199	269,534
Nutrition studies and surveys	3,663	(²)	4,162	4,162
Nutrition education and training	10,270	(³)	10,000	(³)
Coordinated review system	3,849	(⁴)	3,964	3,964
Food Service Management Institute	1,853	(³)	1,900	(³)
School meals initiative	20,350	(²)	5,000	20,350
Kentucky/Iowa demonstration	3,700	(²)	.....	3,700
Disabled child grants	500	.....	.....	.....
Total	7,451,351	7,920,434	7,952,424	7,952,610

¹ For the Special Milk Program, \$18,089,000 was appropriated under a separate heading in 1995.

² Funds for this activity are requested under the heading, "Nutrition Initiatives." The total request includes \$4,162,000 for nutrition studies and surveys, \$25,600,000 for the school meals initiative, and \$3,700,000 to continue the Kentucky/Iowa demonstration.

³ Funds provided by Public Law 103-448, Healthy Meals for Healthy Americans Act of 1994, for 1996 are \$10,000,000 for nutrition education and training and \$2,000,000 for the Food Service Management Institute.

⁴ Total funding of \$3,964,000 for this activity is requested under the heading, "Food Program Administration."

The Committee continues the fiscal year 1995 level of funding for the school meals initiative. The Committee directs that these funds be used to provide training, education, and technical assistance to school food service personnel; and food service training grants to the States.

The Food Service Management Institute [FSMI], established by the Congress in 1990 to conduct activities to improve the quality and operation of child nutrition programs, has valuable expertise to enhance the healthy school meals initiative. Recognizing this, the Healthy Meals for Healthy Americans Act of 1994 (Public Law 103-448) requires the Department to award funds to the FSMI for dietary guidelines purposes through noncompetitive cooperative agreements. The Committee urges the Department to act on these cooperative agreements on a timely basis and to provide funds, as directed, to fully utilize the Institute to conduct applied research, and to provide technical assistance, training, and information to schools to carry out the healthy school meals initiative.

The Committee requests that the Secretary of Agriculture review and establish a framework for determining responsiveness of the Department's food guidance to the wide range of new food products and technologies emerging in the marketplace. The Committee seeks to ensure that the departmental decisions about the dietary contribution of these products reflect a fair assessment of their overall contribution to a healthy diet. In particular, the Committee is interested in how products derived from new technologies, such as fruit leather, are credited in FCS food assistance and nutrition

programs. The Committee recommends that the Department identify and review the criteria used to determine the dietary contribution of these products in light of their expansion in the marketplace. The Committee urges that the Department act to ensure that the principles governing such criteria are scientifically sound, and applied consistently across food and nutrition programs and materials. Products like fruit leather would thus be evaluated based on their dietary contribution as 100 percent fruit and would be credited as fruit concentrates.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS,
AND CHILDREN [WIC]

Appropriations, 1995	\$3,470,000,000
Budget estimate, 1996	3,820,000,000
House allowance	3,729,807,000
Committee recommendation	3,729,807,000

The special supplemental nutrition program for women, infants, and children [WIC] is authorized by section 17 of the Child Nutrition Act of 1966. Its purpose is to safeguard the health of pregnant, breast-feeding and post partum women and infants, and children up to age 5 who are at nutritional risk because of inadequate nutrition and inadequate income. The budget estimate assumes an average monthly participation of 7.4 million participants at an average food cost of \$31.93 per person per month in fiscal year 1996.

The WIC program food packages are designed to provide foods which studies have demonstrated are lacking in the diets of the WIC program target population. The authorized supplemental foods are iron-fortified breakfast cereal, fruit or vegetable juice which contains vitamin C, dry beans and peas, and peanut butter.

There are three general types of delivery systems for WIC foods: (1) retail purchase in which participants obtain supplemental foods through retail stores; (2) home delivery systems in which food is delivered to the participant's home; and (3) direct distribution systems in which participants pick up food from a distribution outlet. The food is free of charge to all participants.

The Child Nutrition and WIC Reauthorization Act of 1989, Public Law 101-147, reauthorized and added several provisions to the program. For example, the act requires State agencies with a retail food delivery system to use a competitive bidding system or a system with equal savings for the procurement of infant formula. Savings are to be used to expand program participation. In addition, the act permits States with an approved cost containment system to use first quarter funds to cover obligations incurred during the fourth quarter of the preceding fiscal year.

Public Law 101-147 changed the administrative formula for State program administrative costs from 20 percent of total available funds to a national monthly per person administrative grant. In addition, Public Law 101-147 makes one-half of 1 percent of program funds, not to exceed \$5,000,000, for evaluation of program performance. These evaluations are to be determined by the Secretary of Agriculture.

The WIC Farmers' Market Nutrition Program [FMNP] is also funded from the WIC appropriation. FMNP is designed to accomplish two major goals: (1) to improve the diets of WIC (or WIC-eli-

gible) participants by providing them with coupons to purchase fresh, nutritious, unprepared food, such as fruits and vegetables, from farmers markets; and (2) to increase the awareness and use of farmers' markets by low-income households. Although directly related to the WIC Program, about one-half of the current FMNP operations are administered by State departments of agriculture rather than the State WIC agencies.

COMMITTEE RECOMMENDATIONS

For the Special Supplemental Food Program for Women, Infants, and Children [WIC], the Committee recommends an appropriation of \$3,729,807,000. This amount is \$259,807,000 more than the 1995 appropriation, \$90,193,000 less than the budget request, and the same as the House-recommended level.

The Committee concurs in the House recommendation that this appropriation be supplemented by shifting \$20,000,000 in nutrition services and administrative costs to food benefits, and by transferring \$4,000,000 in supervisory and technical assistance program unobligated balances to this appropriation. In addition, it allows up to \$6,750,000 to be available for the farmers' market nutrition program only if these funds are not required to maintain WIC participation levels in fiscal year 1996.

The Committee understands the need to maintain a recovery balance within the WIC program from one fiscal year to the next. The Committee notes that the President's budget projects a \$100,000,000 recovery balance in fiscal year 1996. The Committee recommends bill language to allow the Secretary to transfer funds recovered from the previous fiscal year in excess of \$100,000,000 to ensure the efficient use of limited resources. The Secretary should take into account the potential of food cost inflation and other factors to maintain an adequate level of carryover and to ensure funds to maintain end-of-year caseload and to allow program expansion. The Secretary is to give prior notification to the Committees on Appropriations if funds are transferred.

COMMODITY SUPPLEMENTAL FOOD PROGRAM

Appropriations, 1995	\$84,500,000
Budget estimate, 1996	86,000,000
House allowance	(¹)
Committee recommendation	86,000,000

¹ Funded under proposed "Commodity Assistance Program" account.

The commodity supplemental food program [CSFP] is authorized by section 4(a) of the Agricultural and Consumer Protection Act of 1973, as amended in 1981 by Public Law 97-98. This program provides supplemental food to infants and children up to age 6, and to pregnant, post partum, and breast-feeding women who have low incomes, and reside in approved project areas. In addition, this program operates commodity distribution projects directed at low-income elderly persons 60 years of age or older.

In fiscal year 1996 approximately 210,000 women, infants, and young children and 202,000 elderly are authorized to receive food packages each month. The foods are provided by the Department of Agriculture for distribution through State agencies. The authorized commodities are iron-fortified infant formula, rice cereal,

canned juice, evaporated milk and/or nonfat dry milk, canned vegetables or fruits, canned meat or poultry, egg mix, dehydrated potatoes, farina, and peanut butter or dry beans. Elderly participants may receive all commodities except iron-fortified infant formula and rice cereal.

The 1990 FACT Act, Public Law 101-624, reauthorized the program through fiscal year 1995. This law increases administrative funding from 15 to 20 percent of funds appropriated, discontinues administrative funding based on the value of donated commodities, and allows establishment of elderly only programs. In addition, this law requires the Commodity Credit Corporation to donate 4 million pounds of nonfat dry milk and 9 million pounds of cheese to the program annually, subject to availability.

COMMITTEE RECOMMENDATIONS

For the Commodity Supplemental Food Program, the Committee recommends an appropriation of \$86,000,000. This amount is \$1,500,000 more than the 1995 level, the same as the budget request, and \$86,000,000 more than the House-recommended level. The House includes funding for this program in the proposed "Commodity assistance program" account.

FOOD STAMP PROGRAM

	Expenses	Amount in reserve	Puerto Rico	Total
Appropriations, 1995 ¹	\$25,187,710,000	\$2,500,000,000	\$1,143,000,000	\$28,830,710,000
Budget estimate, 1996	26,119,887,000	2,500,000,000	1,143,000,000	29,762,887,000
House allowance	25,954,828,000	.....	1,143,000,000	27,097,828,000
Committee recommendation	25,954,828,000	1,000,000,000	1,143,000,000	28,097,828,000

¹ Appropriations of \$28,830,710,000 have not been adjusted to reflect transfers of \$12,059,000 to be funded in nutrition initiatives for 1996 and \$16,882,000 to be funded in food program administration for 1996.

The Food Stamp Program, authorized by the Food Stamp Act of 1964, attempts to alleviate hunger and malnutrition among low-income persons by increasing their food purchasing power. Eligible households receive food stamps with which they can purchase food through regular retail stores. They are thus enabled to obtain a more nutritious diet than would be possible without food stamp assistance. The FACT Act of 1990, Public Law 101-624, reauthorizes the food stamp program through fiscal year 1995.

The Food Stamp Program is currently in operation in all 50 States, the District of Columbia, the Virgin Islands, and Guam. Participating households receive food stamps, the value of which is determined by household size and income. The cost of the stamps is paid by the Federal Government and is called the benefit cost. As required by law, the Food and Consumer Service periodically revises household stamp allotments to reflect changes in the cost of the thrifty food plan. The last revision was made on October 1, 1994.

Since March 1975, food stamp projects have been established throughout the country. State social service agencies assume responsibility for certifying eligible households and issuing the stamps through suitable outlets. Authorized grocery stores accept the stamps as payment for food purchases and forward them to commercial banks for cash or credit. The stamps flow through the

banking system to the Federal Reserve Bank for redemption out of a special account maintained by the U.S. Treasury Department. As the major alternative to the paper food stamp system, electronic benefit transfer is operating statewide in Maryland, in parts of Pennsylvania, Minnesota, Ohio, New Mexico, and Iowa, and is planned in other States. Wyoming has received approval to implement an off-line demonstration project for food stamps and WIC benefits in fiscal year 1995.

Nutrition assistance to Puerto Rico.—The Omnibus Budget Reconciliation Act of 1981, Public Law 97–35, authorized a block grant for nutrition assistance to Puerto Rico which gives the commonwealth broad flexibility to establish a food assistance program that is specifically tailored to the needs of its low-income households. However, the commonwealth must submit its annual plan of operation to the Secretary for approval. The FACT Act of 1990, Public Law 101–624, enacted November 5, 1990, reauthorizes appropriations through fiscal year 1995. In addition to the provision of direct benefits to the needy, a portion of the grant may be used to fund up to 50 percent of the cost of administering the program. The grant may also be used to fund projects to improve agriculture and food distribution in Puerto Rico.

Administrative costs.—All direct and indirect administrative costs incurred for certification of households, issuance of food coupons, quality control, outreach, and fair hearing efforts are shared by the Federal Government and the States on a 50–50 basis. Under the Hunger Prevention Act of 1988, a State agency is held liable if its error rate of overissuances exceeds the lowest achieved national error rate average plus 1 percent. Liabilities are based on the level of State issuance and the extent to which the State's error rate exceeds a tolerance level. State agencies which reduce quality control error rates below 6 percent receive up to a maximum match of 60 percent of their administrative expenses. Also, State agencies are paid up to 100 percent of the costs of administering the program on Indian reservations.

State administration also includes State antifraud activities.—Under the provisions of the Food Stamp Act of 1977, as amended by the Mickey Leland Childhood Hunger Relief Act of 1993, States are eligible to be reimbursed for 50 percent of the costs of their food stamp fraud investigations and prosecutions.

States are required to implement an employment and training program for the purpose of assisting members of households participating in the Food Stamp Program in gaining skills, training, or experience that will increase their ability to obtain regular employment. In fiscal year 1987, the Department of Agriculture implemented a new grant program to States to assist them in providing employment and training services.

COMMITTEE RECOMMENDATIONS

For the Food Stamp Program, the Committee recommends \$28,097,828,000. This is \$732,882,000 less than the 1995 level, \$1,665,059,000 less than the budget request, and \$1,000,000,000 more than the House recommended level. Of the amount provided, \$1,000,000,000 is available as a contingency reserve.

For the Nutrition Assistance for Puerto Rico Program, the Committee recommends \$1,143,000,000. This amount is the same as the budget request, the House recommendation, and the 1995 level.

The Committee is aware that the Commonwealth of Puerto Rico does not allow Food and Drug Administration approved productivity enhancers for food production. The Committee is concerned that this action artificially increases food costs to the Nutrition Assistance for Puerto Rico Program. The Committee directs the Department to determine the extent of such increased costs and report the findings to the House and Senate Committees on Appropriations.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

Appropriations, 1995	\$223,154,000
Budget estimate, 1996	269,889,000
House allowance	¹ 215,000,000
Committee recommendation	257,250,000

¹Funding for soup kitchens included under proposed "Commodity Assistance Program" account.

The Agriculture and Consumer Protection Act of 1973, as amended (7 U.S.C. 612c (note)), provides for a directly funded food distribution program for low-income persons residing on or near Indian reservations who choose not to participate in the Food Stamp Program, and to low-income individuals in the Pacific Island territories. This program attempts to alleviate hunger and malnutrition in low-income households by providing nutritious agricultural commodities to eligible persons. This program also funds commodity support for elderly feeding programs under titles III and IV of the Older Americans Act of 1965. Donated foods are used in meals served in the senior citizens centers or similar settings. States may elect cash in lieu of commodities. The FACT Act of 1990 authorizes \$40,000,000 for the purchase and distribution of commodities to soup kitchens and food banks. The 1990 FACT Act further authorizes the distribution of soup kitchen commodities to food pantries through fiscal year 1995.

Food distribution program on Indian reservations and in the Pacific Islands.—The Food and Agriculture Act of 1977 authorizes the distribution of agricultural commodities to eligible needy persons residing on or near Indian reservations or in the Trust Territories of the Pacific. The act requires that a food distribution program be established on an Indian reservation if an Indian tribal organization [ITO] requests the program. If the ITO is capable of administering the program, it may do so in lieu of administration by a State agency. Public Law 97–98 authorizes low-income Indian households residing in Oklahoma and not living on a reservation to participate in the program.

Cash payments are made to distributing agencies to assist them in meeting the administrative expenses incurred in operating a food distribution program. Included among these costs are local warehousing and transportation of commodities, utilities, salaries, and equipment.

Nutrition program for the elderly.—Commodity support for the nutrition program for the elderly is authorized by titles III and VI of the Older Americans Act of 1965. The foods provided are used in preparing meals which are served in senior citizen centers and

similar settings or delivered to the homebound elderly. These meals are the focal point of the nutrition projects for the elderly which have the dual objective of promoting better health and reducing the isolation of old age.

Currently, commodities or cash in lieu of commodities are distributed through State agencies to the local meal sites at a specific rate per meal set by law. Public Law 102-375 sets the rate at the greater of 61 cents per meal, adjusted for inflation, or the amount of the appropriation divided by the number of meals served in the preceding fiscal year through fiscal year 1995. Some States elect to take all of their subsidy in cash and some States choose to receive a combination of cash and commodities. The commodities made available to the nutrition program for the elderly are generally the same as those provided to schools under the child nutrition programs.

Commodity purchases for soup kitchens.—The FACT Act of 1990 authorizes the purchase and distribution of \$40,000,000 in commodities to soup kitchens and food banks through fiscal year 1995. Commodities are distributed to the States which, in turn, provide them to the public and charitable institutions which provide food to needy homeless persons on a regular basis as an integral part of their activities.

Distribution of commodities and payments for storage are the responsibility of State distribution agencies. States are responsible for requesting commodities only in quantities that can be efficiently used by these institutions, managing the distribution of commodities to local organizations, and ensuring that the organizations comply with all Federal program regulations and requirements. In addition, States are responsible for allocating administrative funds received under the Emergency Food Assistance Program [TEFAP] to TEFAP emergency feeding organizations, soup kitchens, and food banks.

COMMITTEE RECOMMENDATIONS

For the food donations programs for selected groups, the Committee recommends an appropriation of \$257,250,000. This amount is \$34,096,000 more than the 1995 appropriation, \$12,639,000 less than the budget request, and \$42,250,000 more than the House level. Of this amount, \$66,000,000 is for the food distribution program on Indian reservations and the Pacific Islands; \$151,250,000 is for the elderly feeding program; and \$40,000,000 is for the purchase of additional commodities for soup kitchens and food banks.

The Committee does not agree with the House that the Department should begin converting the population receiving assistance under the Food Distribution Program on Indian reservations to the Food Stamp Program only. The Committee notes that the average benefit cost of commodities provided through the food distribution program on Indian reservations and the Pacific Islands is much lower than that in the Food Stamp Program.

For the nutrition program for the elderly, the Committee has included bill language establishing a maximum reimbursement rate per meal permitted by law as estimated by the Secretary at the beginning of the fiscal year within the level of available funds. States would receive reimbursement for all meals served, with downward

adjustments in the rate if meal counts exceed estimates. If meal counts are lower than estimated, any obligated funds would remain available only for obligation in the next fiscal year.

THE EMERGENCY FOOD ASSISTANCE PROGRAM

Appropriations, 1995	\$65,000,000
Budget estimate, 1996	40,000,000
House allowance	(¹)
Committee recommendation	40,000,000

¹ Funded under proposed "Commodity Assistance Program" account.

Title II of Public Law 98-8, enacted March 3, 1983, authorized and appropriated funds for the costs of intrastate storage and transportation of CCC-donated commodities. In fiscal year 1995, \$65,000,000 was appropriated for the purchase and distribution of commodities as authorized by section 104 of the Hunger Prevention Act of 1988.

Funds are administered by the Food and Consumer Service through grants to State agencies which operate commodity distribution programs. Allocation of the funds to States is based on a formula which considers the States' unemployment rate and the number of persons with incomes below the poverty level.

In fiscal year 1994, 48.4 million dollars' worth of surplus commodities were distributed to assist needy individuals. Donations will continue in fiscal year 1995. Precise levels will depend upon the availability of surplus commodities and requirements regarding displacement. In fiscal year 1995, \$40,000,000 was used to help State and local authorities with the storage and distribution costs of providing surplus commodities to needy individuals.

The 1990 FACT Act reauthorizes administrative funding through fiscal year 1995 and allows these funds to be used for local repackaging and further processing of commodities high in nutrient content. The law requires CCC bonus commodities to be distributed through TEFAP, and reauthorizes funding for the purchase of TEFAP commodities.

COMMITTEE RECOMMENDATIONS

For the emergency food assistance program, the Committee recommends an appropriation of \$40,000,000. This amount is \$40,000,000 less than the House level, \$25,000,000 less than the 1995 level, and the same as the budget request.

COMMODITY ASSISTANCE PROGRAM

Appropriations, 1995	
Budget estimate, 1996	
House allowance	\$168,000,000
Committee recommendation	

The House proposes to consolidate funding for the Commodity Supplemental Food Program, Soup Kitchens, and the Emergency Food Assistance Program into a single appropriations account.

COMMITTEE RECOMMENDATIONS

The Committee does not concur in the House recommendation to consolidate funding for Federal commodity assistance programs

under a single account. The Committee recommends continued funding of these programs under separate appropriations accounts.

NUTRITION INITIATIVES

Appropriations, 1995	(¹)
Budget estimate, 1996	\$49,744,000
House allowance	
Committee recommendation	

¹ On a comparable basis, USDA estimates 1995 appropriations would be \$40,272,000, including transfers of \$12,059,000 from the food stamp program and \$28,213,000 from the child nutrition programs.

This new account is proposed to fund the nutrition education component of all food assistance programs and support a Center for Nutrition Policy and Promotion. It also includes FCS research supporting the program performance and effectiveness of the food stamp and child nutrition programs and several other initiatives.

Research covering the food stamp and child nutrition programs is currently funded in the mandatory program accounts. In general, research funds are used to conduct evaluations, demonstration projects, and nationally representative studies which provide information to inform policy decisions and improve program operations.

These funds are also used to provide assessments of program performance compared with their statutory goals. For example, these funds may be used to measure the effectiveness of programs in serving their eligible populations, in determining if meals served meet national nutrition standards, or how well food consumed by program participants contributes to overall dietary intake.

COMMITTEE RECOMMENDATIONS

The Committee does not concur with the budget proposal to create a new "Nutrition initiatives" account. This is the same as the House recommendation and \$49,744,000 less than the budget estimate. The Committee's recommendations for the Child Nutrition and Food Stamp Programs continue funding to support authorized research activities related to those programs which the budget proposes to fund under this account.

FOOD PROGRAM ADMINISTRATION

Appropriations, 1995	¹ \$106,465,000
Budget estimate, 1996	141,360,000
House allowance	108,323,000
Committee recommendation	107,215,000

¹ Appropriations of \$106,465,000 have not been adjusted to reflect transfers of \$16,882,000 from the food stamp program and \$11,259,000 from the child nutrition programs to be funded in the "Food program administration" account for 1996.

The food program administration appropriation provides for all of the Federal operating expenses of the Food and Consumer Service, which includes the child nutrition programs; Special Milk Program; special supplemental food program for women, infants, and children [WIC]; commodity supplemental food program; food stamp program; nutrition assistance for Puerto Rico; food donations programs for selected groups; and the emergency food assistance program.

The major objective of food program administration is to efficiently and effectively carry out the food assistance programs mandated by law. This is to be accomplished by the following: (1) giving clear and consistent guidance and supervision to State agencies and other cooperators; (2) assisting the States and other cooperators by providing program, managerial, financial, and other advice and expertise; (3) measuring, reviewing, and analyzing the progress being made toward achieving program objectives; and (4) carrying out regular staff support functions.

COMMITTEE RECOMMENDATIONS

For food program administration, the Committee recommends an appropriation of \$107,215,000. This amount is \$1,108,000 less than the House level, \$34,145,000 less than the budget request, and \$750,000 more than the 1995 level. The Committee's recommendation includes \$750,000 to allow the Food and Consumer Service to initiate a new automated data processing information structure.

TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE

	Appropriations	Transfers from loan accounts	Total
Appropriations, 1995 ¹	\$108,880,000	(\$9,131,000)	(\$118,011,000)
Budget estimate, 1996	120,201,000	(9,318,000)	(129,519,000)
House allowance	114,547,000	(8,973,000)	(123,520,000)
Committee recommendation	115,802,000	(8,973,000)	(124,775,000)

¹Pursuant to the Department of Agriculture Reorganization Act of 1994, funds appropriated for the EEO counseling function are excluded. These funds are included under the departmental administration appropriation. On a comparable basis, USDA estimates fiscal year 1995 appropriations of \$108,815,000.

The Foreign Agricultural Service [FAS] was established March 10, 1953, by Secretary's Memorandum No. 1320, supplement 1. Public Law 83-690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service.

The Agency maintains a worldwide agricultural intelligence and reporting service to provide U.S. farmers and traders with information on world agricultural production and trade that they can use to adjust to changes in world demand for U.S. agricultural products. This is accomplished through a continuous program of reporting by 63 posts located throughout the world covering some 132 countries.

The Foreign Agricultural Service analyzes agricultural information essential to the assessment of foreign supply and demand conditions in order to provide estimates of the current situation and to forecast the export potential for specific U.S. agricultural commodities. Published economic data about commodities are combined with attaché reports and subjected to analysis through advanced econometric techniques to generate these estimates.

In addition, the Service is now using advanced techniques for identifying, delineating, and assessing the impact of events which may affect the condition and expected production of foreign crops of economic importance to the United States. The crop condition activity relies heavily on computer-aided analysis of satellite, meteorological, agricultural, and related data.

The mission of FAS overseas is to represent U.S. agricultural interests, to promote export of domestic farm products, improve world trade conditions, and report on agricultural production and trade in foreign countries. FAS staff are stationed at 75 offices around the world where they provide expertise in agricultural economics and marketing, as well as provide attaché services.

The Foreign Agricultural Service works in conjunction with market development cooperators, trade associations, State departments of agriculture and their affiliates, and U.S. sales teams to develop

foreign markets for U.S. farm products. FAS sponsors overseas trade exhibits to promote U.S. agricultural products, provides information about foreign importers, and performs a wide range of market development activities.

The Food Security Act of 1985 (Public Law 99-198) as amended by the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624) authorized several export assistance programs to counter the adverse effects of unfair trade practices by competitors on U.S. agricultural trade. The Export Enhancement Program uses CCC-owned commodities as export bonuses to provide export enhancements to U.S. producers. The Market Promotion Program [MPP] conducts both generic and brand-identified promotional programs in conjunction with nonprofit agricultural associations and private firms financed through reimbursable CCC payments.

These programs are supplemented by the Cooperator Program, a joint FAS-nonprofit private trade and producer association partnership program developing strategies for U.S. agriculture export expansion. Nonprofit private trade and producer associations have generated an estimated \$1,320,000,000 in contributions to more than match the \$649,000,000 contributed by FAS to finance overseas market promotion activities under the Cooperator Program. In addition, GSM credit guarantee programs play an integral role in the recent progress of American agriculture in the world marketplace.

The Agricultural Trade Act of 1978 includes authority to establish up to 25 agricultural trade offices. Currently, 12 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups, and State export marketing officials in trade promotion.

The Service initiates, directs, and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities, then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices by other countries that hinder U.S. agricultural exports to third markets.

FAS also carries out the mission of the former Office of International Cooperation and Development [OICD] to promote U.S. agriculture and to advance the agriculture of developing countries as parts of a complementary global agricultural system capable of providing ample food and fiber for all people. To accomplish this mission, FAS applies USDA policies and U.S. agricultural perspectives in its programs of international agricultural cooperation and development, and in its work with foreign countries, international organizations, U.S. universities and other institutions, agencies of the U.S. Government, and the U.S. private sector.

The General Sales Manager was established pursuant to section 5(f) of the charter of the Commodity Credit Corporation and 15 U.S.C. 714-714p. The funds allocated to the General Sales Manager are used for conducting the following programs: (1) CCC Export Credit Guarantee Program (GSM-102), (2) Intermediate Cred-

it Guarantee Program (GSM-103), (3) Public Law 480, (4) section 416 Overseas Donations Program, (5) Export Enhancement Program, (6) Market Promotion Program, and (7) programs authorized by the Commodity Credit Corporation Charter Act including barter, export sales of most CCC-owned commodities, export payments, and other programs as assigned to encourage and enhance the export of U.S. agricultural commodities.

COMMITTEE RECOMMENDATIONS

For the Foreign Agricultural Service, the Committee recommends an appropriation of \$115,802,000, \$6,922,000 more than the amount available for 1995, \$4,399,000 less than the budget request, and \$1,255,000 more than the House level.

The Committee recommendation includes the \$2,000,000 increase requested for the foreign market development program (cooperator program) and will expect the Department to continue to use unliquidated balances to maintain funding for the program at the fiscal year 1995 level.

The Committee also includes the net increase requested in the budget for international cooperation and development, including an additional \$250,000 for the Cochran Fellowship Program.

Completion of NAFTA and GATT provides the opportunity to redirect available Foreign Agricultural Service resources from the negotiation of multilateral trade agreements to implementation and related issues, including the removal of sanitary, phytosanitary, and other nontariff trade barriers.

Increased funding is requested for a number of FAS program enhancements and initiatives, including an expansion of FAS overseas counselor/attaché posts and agricultural trade offices; trade shows and missions, a sanitary and phytosanitary team to address trade policy issues, and the Federal/State Marketing Improvement Program. The additional \$4,650,000 provided by the Committee is to be used to fund those budget proposals with the greatest potential to expand U.S. agricultural exports and to enhance the ability of American agriculture to compete effectively in the international marketplace.

The Committee understands that the International Cooperation and Development [ICD] Program area of the Foreign Agricultural Service [FAS] is generally funded through reimbursable activities. The Committee further understands that the agency, the Office of International Cooperation and Development [OICD] before being merged with FAS, managed a number of activities for the emerging democracies component of FAS for which it was reimbursed for both the programmatic and administrative costs for running these activities. It is the Committee's intent that this operating relationship (cost reimbursable process) between the former OICD and FAS not be changed due to the merger of the two agencies, particularly during 1995-96.

As a result of the diplomatic relations that have recently been established between the Vietnamese Government and the United States and the potential that exists for the export of United States agricultural products to this emerging market, the Committee directs the Secretary to take necessary actions under current authorities to provide technical assistance as deemed appropriate by

the Foreign Agricultural Service. The Committee suggests that such technical assistance include greater exchanges of agricultural scientific and educational information, techniques, and data; agricultural marketing information, techniques, and data; and foster joint ventures, cooperative research, and the expansion of United States trade with Vietnam.

Also, the Committee is aware of exchanges between Louisiana State University [LSU] in Baton Rouge, LA, and the Vietnamese Government to explore the possibilities of cooperation with Vietnamese universities, ministries, and other agencies in the areas of agricultural chemicals and their impact on water resources, the environment, and human health and rice hull power cogeneration. Within overall funding available to the FAS, the Committee expects the agency to assist LSU with technical assistance efforts, if warranted, within the appropriate rules and regulations for conducting such business.

SCIENTIFIC ACTIVITIES OVERSEAS

(FOREIGN CURRENCY PROGRAM)

LIMITATION ON ADMINISTRATIVE EXPENSES

Obligational limitation, 1995	(\$1,062,000)
Budget estimate, 1996	
House allowance	
Committee recommendation	

As authorized by section 104(c)(7) of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, USDA uses foreign currencies to support agricultural and forestry research on problems of mutual interest to the United States and participating foreign countries. Since the program's inception in 1958, over 2,400 projects valued at approximately \$180,000,000 equivalent in foreign currency have been negotiated in 40 countries worldwide.

Research projects conducted abroad through grants negotiated with foreign research institutions and organizations were selected based on their relevance to priority U.S. agricultural concerns, such as preventing the incursion of animal diseases and exotic insects and developing plants that are drought tolerant, disease-resistant, and more productive. Cooperative research benefits U.S. agriculture by developing markets for U.S. agricultural products and equipment, adding to knowledge of our environment, and cutting the cost of valuable research. It also provides access to unique agricultural ecosystems in order to study insects, weeds, and diseases which have entered the United States and have caused severe losses due to lack of biological control.

COMMITTEE RECOMMENDATIONS

The Committee recommends no limitation on administrative expenses for scientific activities overseas, the same as the House level and the budget request. The fiscal year 1995 limitation is \$1,062,000.

PUBLIC LAW 480

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT

	Credit level	Loan subsidy	Administrative expenses
Appropriations, 1995	\$291,342,000	\$236,162,000	\$2,461,000
Budget estimate, 1996	161,540,000	131,833,000	1,750,000
House allowance	291,342,000	236,162,000	1,750,000
Committee recommendation	291,342,000	236,162,000	1,750,000

The Federal Credit Reform Act of 1990 established the program account. Appropriations to this account will be used to cover the lifetime subsidy cost associated with direct loans obligated in 1996 and beyond, as well as for administrative expenses.

Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under section 104; and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Title I of the act authorizes financing of sales to developing countries for local currencies and for dollars on credit terms. Sales for dollars or local currency may be made to foreign governments. The legislation provides for repayment terms either in local currencies or U.S. dollars on credit terms of up to 30 years, with a grace period of up to 7 years.

Local currencies under title I sales agreements may be used in carrying out activities under section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended. Activities in the recipient country for which these local currencies may be used include developing new markets for U.S. agricultural commodities, paying U.S. obligations, and supporting agricultural development and research.

Title I appropriated funds may also be used under the Food for Progress Act of 1985, as amended, to furnish commodities on credit terms or on a grant basis to assist developing countries and countries that are emerging democracies that have a commitment to introduce and expand free enterprise elements in their agricultural economies.

COMMITTEE RECOMMENDATIONS

For Public Law 480, title I, the Committee recommends a program level of \$316,342,000. This amount is the same as the House level, \$4,000,000 less than the 1995 level, and \$138,385,000 more than the budget request. The corresponding loan levels, subsidies, and administrative expenses are reflected in the table above.

PUBLIC LAW 480 GRANT ACCOUNT (TITLE I OCEAN FREIGHT DIFFERENTIAL, TITLE II AND TITLE III)

Appropriations, 1995	¹ \$967,542,000
Budget estimate, 1996	862,120,000
House allowance	896,100,000
Committee recommendation	896,100,000

¹ Reflects enacted rescission of \$40,000,000 in title III.

Ocean freight differential costs in connection with commodities sales financed for local currencies or U.S. dollars (title I).—The Commodity Credit Corporation pays ocean freight differential costs on shipments under this title. These costs are the difference between foreign flag and U.S. flag shipping costs.

Commodities supplied in connection with dispositions abroad (title II) (7 U.S.C. 1721–1726).—Commodities are supplied without cost through foreign governments to combat malnutrition and to meet famine and other emergency requirements. Commodities are also supplied for nonemergencies through public and private agencies, including intergovernmental organizations. The Commodity Credit Corporation pays ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs in emergency situations. The funds appropriated for title II are made available to private voluntary organizations and cooperatives to assist these organizations in meeting administrative and related costs.

Commodities supplied in connection with dispositions abroad (title III).—Commodities are supplied without cost to least developed countries through foreign governments for direct feeding, development of emergency food reserves, or may be sold with the proceeds of such sale used by the recipient country for specific economic development purposes. The Commodity Credit Corporation may pay ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs.

COMMITTEE RECOMMENDATIONS

The following table shows the Committee's recommendations for the Public Law 480 grant account:

PUBLIC LAW 480 GRANT ACCOUNT				
	1995 enacted	1996 budget	House allowance	Committee recommendation
Title I ocean freight differential	\$29,000,000	\$16,417,000	\$25,000,000	\$25,000,000
Title II commodities supplied in connection with dispositions abroad	821,100,000	795,703,000	821,100,000	821,100,000
Title III commodities supplied in connection with dispositions abroad	¹ 117,442,000	50,000,000	50,000,000	50,000,000
Total	967,542,000	862,120,000	896,100,000	896,100,000

¹ Reflects enacted rescission of \$40,000,000 in title III.

The Committee is concerned that the Agency for International Development [AID] is diluting the impact of the Farmer-to-Farmer Program by spreading limited funds too thinly among countries and program implementors. The Committee directs AID to review its fund allocation procedures to maximize the cost-effective uses of Farmer-to-Farmer Program resources.

CCC EXPORT LOANS PROGRAM ACCOUNT
(EXPORT CREDIT PROGRAMS, GSM-102 AND GSM-103)

	Guaranteed loan levels	Guaranteed loan subsidy	Administrative expenses
Appropriations, 1995	\$5,700,000,000	\$394,393,000	\$3,381,000
Budget estimate, 1996	5,700,000,000	¹ 374,347,000	3,745,000
House allowance	5,700,000,000	374,347,000	3,381,000
Committee recommendation	5,700,000,000	374,347,000	3,381,000

¹ Amount proposed is through a permanent indefinite appropriation.

In 1980, CCC instituted the Export Credit Guarantee Program (GSM-102) under its charter authority. With this program, CCC guarantees, for a fee, payments due U.S. exporters under deferred payment sales contracts (up to 36 months) for defaults due to commercial as well as noncommercial risks. The risk to CCC extends from the date of export to the end of the deferred payment period covered in the export sales contract and covers only that portion of the payments agreed to in the assurance agreement. Operation of this program is based on criteria which will assure that it is used only where it is determined that it will develop new market opportunities and maintain and expand existing world markets for U.S. agricultural commodities. The program encourages U.S. financial institutions to provide financing to those areas where the institutions would be unwilling to provide financing in the absence of the CCC guarantees.

In 1986, the Intermediate Export Credit Guarantee Program (GSM-103) was implemented by CCC under its charter authority as required by the Food Security Act of 1985. The program is similar to the Export Credit Guarantee Program (GSM-102), but provides for CCC guarantees to exporters for commodities sold on credit terms in excess of 3 years, but not more than 10 years. The program also provides for adjusting the maximum amount of interest which CCC guarantees to pay under the payment guarantee and permits freight costs to be covered for breeding animals financed under the GSM-102 and GSM-103 programs.

The Federal Credit Reform Act of 1990 establishes the program account. The subsidy costs of the CCC export guarantee programs are exempt from the requirement of advance appropriations of budget authority according to section 504(c)(2) of the Federal Credit Reform Act of 1990, Public Law 101-508. Appropriations to this account will be used for administrative expenses.

TITLE VI—RELATED AGENCIES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

The mission of the Food and Drug Administration [FDA] is to ensure that (1) food is safe, pure, and wholesome; (2) cosmetics are unadulterated; (3) human and animal drugs, biological products, and therapeutic devices are safe and effective; and (4) radiological products and use procedures do not result in unnecessary exposure to radiation.

Under the foods program, FDA sets food standards; evaluates food additives and packaging for potential health hazards; conducts research to reduce food-borne disease, to determine specific health impacts of hazardous substances in food and to develop methods for detecting them in foods; maintains surveillance over foods through plant inspections, laboratory analyses, and legal action where necessary; and ensures fair and informative labeling and nutrient information.

The drugs program includes the premarket review of human and animal drugs and biological products in order to ensure their safety and efficacy; research to improve the agency's base of scientific knowledge; and the postmarketing monitoring of drug experience. FDA conducts manufacturer inspections and sample examinations to ensure industry compliance. Included under this program activity is the similar regulation of animal devices and feeds, as well as a program to assure the safety of animal-derived human foods.

The devices and radiological products program conducts premarket review and postmarket surveillance of medical devices to assure their safety and efficacy, and sets standards for the manufacture and use of radiological products to protect the public from unnecessary exposure to radiation. FDA monitors experience with medical devices, and conducts inspections of manufacturing plants and tests of radiological products to ensure compliance with regulations and standards; conducts research to improve the agency's base of scientific knowledge; and conducts education programs to promote safe and effective use of devices and radiological products.

For these three major product-oriented programs, the agency utilizes a wide variety of scientific skills to deal with the many types of products regulated and the many scientific decisions FDA must make. These skills range from field investigators, all of whom must have education in the physical or biological sciences, to chemists, microbiologists, engineers, medical officers, and scientists from many other disciplines. Similarly, FDA utilizes a variety of laboratory facilities, both to test products for safety and to conduct the research necessary to evaluate health hazards and to develop the means to detect product hazards and prevent them.

In addition, the National Center for Toxicological Research in Jefferson, AR, serves as a specialized resource for FDA's other program elements. This facility conducts research to improve the base of scientific knowledge and applied science which the agency uses in conducting its regulatory and consumer protection missions.

SALARIES AND EXPENSES

	Appropriation	Prescription drug user fee	Mammography clinics	Other user fees	Total
Appropriations, 1995	\$819,971,000	(\$79,423,000)	(\$6,500,000)	.....	(\$905,894,000)
Budget estimate, 1996	828,999,000	(84,723,000)	(13,000,000)	¹ (\$38,740,000)	(965,462,000)
House allowance	819,971,000	(84,723,000)	(13,000,000)	.....	(917,694,000)
Committee recommendation	819,971,000	(84,723,000)	(13,000,000)	.....	(917,694,000)

¹ Collections from currently unauthorized user fees. The President's budget proposes legislation to authorize new medical device and import inspection user fees.

COMMITTEE RECOMMENDATIONS

For salaries and expenses, the Committee recommends \$917,694,000. This amount is \$11,800,000 more than the 1995 amount, \$47,768,000 less than the budget estimate, and the same as the House level. The recommendation includes \$84,723,000 in user fees authorized by the Prescription Drug User Fee Act, and \$13,000,000 in user fees authorized by the Mammography Quality Standards Act, as requested in the President's budget. The Committee has retained House bill language which prohibits FDA from developing, establishing, or operating any program of user fees authorized by 31 U.S.C. 9701. The Committee continues its view that legislative proposals to establish new user fees should be submitted for consideration by the appropriate authorizing Committees of the Congress.

The Committee continues funding for the FDA at the fiscal year 1995 level. The only increases provided are for collections from authorized user fees. Estimated collections of \$84,723,000 will finance 600 full-time equivalents [FTE's] in fiscal year 1996 to be used for the Prescription Drug Act user fee program, an increase of \$5,300,000 and 100 FTE's above the fiscal year 1995 level. Mammography Quality Standards Act user fees collections will total an estimated \$13,000,000 in fiscal year 1996, an increase of \$6,500,000 and 35 FTE's above the fiscal year 1995 levels. These fee collections will be used to pay for the cost of mammography facility inspections.

The Committee expects the FDA to operate within its resource constraints by refocusing its efforts on its core functions and reducing unnecessary costs.

No funding is provided for the FDA to implement or operate a cosmetic hotline. The FDA should expand the existing system for the reporting of adverse reactions to include cosmetics, if necessary.

The Orphan Drug Program is to operate at not less than the fiscal year 1995 level.

The Committee continues to be concerned about the ability of the FDA to review and process premarket approval applications [PMA's] and premarket notifications (510(k)'s) for medical devices in a timely manner and to reduce the backlog of these applications. While the Committee recognizes some improvement in these areas,

FDA review times still exceed those required by statute. The Committee directs that the 571 full-time equivalent position levels allocated for product evaluation activities of the Center for Devices and Radiological Health [CDRH] be maintained in fiscal year 1996. Further, it strongly encourages the agency to increase resources for product approval from lower priority areas in order to make substantial progress in achieving the following objectives: (1) elimination of the 510(k) overdue backlog; (2) elimination of the PMA overdue backlog; (3) completion of final action on at least 95 percent of 510(k) applications within 90 days; and (4) completion of at least 90 percent of first-cycle reviews for PMA's within 180 days. The Commissioner of the FDA is directed to make quarterly reports to the Committee detailing the specific measures being taken, the level of resources provided, and the progress FDA is making to achieve these objectives.

While the Committee deletes a House bill provision establishing ceilings on full-time equivalent levels for certain offices of the FDA, it concurs with the House that staffing and funding for these offices should not exceed fiscal year 1995 levels. In the future, the Committee expects a detailed breakdown of funding and employment levels for the following FDA offices to be included in the appropriations justification provided to the Committee in support of the President's budget: the Office of the Commissioner; the Office of Policy; the Office of External Affairs (to include the Office of Health Affairs, the Office of Consumer Affairs, and the Office of Public Affairs); and the Office of Management and Systems (to include the Office of Planning and Evaluation and the Office of Management).

The FDA also is directed to withhold any further action to eliminate or consolidate field laboratories until the Committee has an opportunity to review a report now being completed by the General Accounting Office [GAO] on the proposed action. The GAO study, initiated in December 1994, is reviewing FDA's field laboratory restructuring plan to determine: (1) the adequacy of the criteria used to identify laboratories for closure or retention; (2) the costs and savings related to the restructuring; and (3) how well FDA measured the mission impact of the proposal.

The Committee expects the FDA to exercise the authority it has to establish, where appropriate, current good manufacturing practice requirements for animal drugs separate from the requirements applicable to drugs for human use.

The Committee shares concerns raised by the House regarding the rule proposed by the Food and Drug Administration requiring food products, which contain hydrolyzed proteins and autolyzed yeast extracts, to be labeled "contains glutamate". The Committee understands that the FDA will be issuing a new proposed rule regarding this matter. In writing the new proposed rule, the Committee urges the FDA to consider strongly the potential job loss associated with this rule.

BUILDINGS AND FACILITIES

Appropriations, 1995	\$18,150,000
Budget estimate, 1996	8,350,000
House allowance	15,350,000
Committee recommendation	8,350,000

In addition to Washington area laboratories which are in nine separate locations, there are 24 lab facilities around the country, including regular field laboratories and specialized facilities, as well as the National Center for Toxicological Research complex. Continued repairs, modifications, and improvements to FDA headquarters and field facilities must be made to preserve the properties, ensure employee safety, meet changing program requirements, and permit the agency to keep its laboratory methods up to date.

COMMITTEE RECOMMENDATIONS

For continued repairs and improvements of FDA buildings and facilities, the Committee recommends \$8,350,000. This amount is \$9,800,000 less than the 1995 appropriation, the same as the budget request, and \$7,000,000 less than the House level.

RENTAL PAYMENTS, FDA

Appropriations, 1995	\$46,294,000
Budget estimate, 1996	46,294,000
House allowance	46,294,000
Committee recommendation	46,294,000

Annual appropriations are made to agencies of the Federal Government to pay the General Services Administration [GSA] fees for rental of space and for related services.

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$46,294,000 for rental payments of the Food and Drug Administration. This amount is the same as the budget estimate, the House amount and the 1995 level.

DEPARTMENT OF THE TREASURY

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

Appropriations, 1995	\$57,026,000
Budget estimate, 1996	15,453,000
House allowance	15,453,000
Committee recommendation	15,453,000

The Agricultural Credit Act of 1987 (Public Law 100-233) authorized such sums as necessary to be appropriated to the Secretary of the Treasury for payment to the Farm Credit System Assistance Corporation. These payments reimburse the Corporation for interest expenses on U.S. guaranteed debt issued by the Corporation. Assistance Corporation debt proceeds were used to provide assistance to financially troubled system institutions. Beginning in fiscal 1989, Treasury will annually reimburse 100 percent of the Assistance Corporation interest expense incurred between the date of issuance of each obligation and the first 5-year period of such obligation. During each year of the second 5-year period beginning from the date of the issuance of each obligation, Treasury will reimburse an amount not to exceed 50 percent of the Assistance Corporation's interest expense, with system banks paying the

balance. Thereafter all Assistance Corporation interest expense will be paid by system banks.

COMMITTEE RECOMMENDATIONS

For interest expenses incurred by the Farm Credit System Financial Assistance Corporation as authorized by the Farm Credit Assistance Board, the Committee recommends \$15,453,000, \$41,573,000 less than the 1995 level and the same as the budget estimate and House level.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

Appropriations, 1995	\$49,144,000
Budget estimate, 1996	59,711,000
House allowance	49,144,000
Committee recommendation	54,058,000

The Commodity Futures Trading Commission [CFTC] was established as an independent agency by the Commodity Futures Trading Commission Act of 1974 (88 Stat. 1389; 7 U.S.C. 4a).

The Commission administers the Commodity Exchange Act, 7 U.S.C. section 1, et seq. The 1974 act brought under Federal regulation futures trading in all goods, articles, services, rights, and interests; commodity options trading; and leverage trading in gold and silver bullion and coins; and otherwise strengthened the regulation of the commodity futures trading industry. It established a comprehensive regulatory structure to oversee the volatile futures trading complex.

The purpose of the Commission is to protect and further the economic utility of futures markets by encouraging their efficiency, assuring their integrity, and protecting participants against manipulation, abusive trade practices, fraud, and deceit. The objective is to enable the markets better to serve their designated functions of providing a price discovery mechanism and providing price risk insurance. In properly serving these functions, the futures markets contribute toward better production and financial planning, more efficient distribution and consumption, and more economical marketing.

Programs in support of the overall mission include market surveillance analysis and research; registration, audits, and contract markets; enforcement; reparations; proceedings; legal counsel; agency direction; and administrative support services. CFTC activities are carried out in Washington, DC, four regional offices located in Chicago, New York, Kansas City, and Los Angeles; and a branch office located in Minneapolis.

COMMITTEE RECOMMENDATIONS

For the Commodity Futures Trading Commission, the Committee recommends \$54,058,000. The amount provided is \$4,914,000 more than the 1995 amount and the House level, and \$5,653,000 less than the budget request.

The Commission requests an increase of \$10,600,000 to enable it to carry out its substantial new responsibilities and authorities

under The Futures Trading Act of 1992, and to keep pace with the dramatic changes and growth in the financial markets. While resource constraints prevent the Committee from granting the full increase requested, the Committee provides an additional \$4,914,000 to enable the Commission to fully and effectively implement its statutory responsibilities; to ensure adequate enforcement, customer and financial protections; and to address changing developments in the markets.

FARM CREDIT ADMINISTRATION

LIMITATION ON REVOLVING FUND FOR ADMINISTRATIVE EXPENSES

Limitations, 1995	(\$40,420,000)
Budget estimate, 1996	(39,900,000)
House allowance	
Committee recommendation	

The Farm Credit Administration [FCA] is the independent agency in the executive branch of the Government responsible for the examination and regulation of the banks, associations, and other institutions of the Farm Credit System.

Activities of the Farm Credit Administration include the planning and execution of examinations of Farm Credit System institutions and the preparation of examination reports. FCA also establishes standards, enforces rules and regulations, and approves certain actions of the institutions.

The administration and the institutions under its jurisdiction now operate under authorities contained in the Farm Credit Act of 1971, Public Law 92-181, effective December 10, 1971. Public Law 99-205, effective December 23, 1985, restructured FCA and gave the agency regulatory authorities and enforcement powers.

The act provides for the farmer-owned cooperative system to make sound, adequate, and constructive credit available to farmers and ranchers and their cooperatives, rural residences, and associations and other entities upon which farming operations are dependent, and to modernize existing farm credit law to meet current and future rural credit needs.

The Agricultural Credit Act of 1987 authorized the formation of the Federal Agricultural Mortgage Corporation [FAMC] to operate a secondary market for agricultural and rural housing mortgages. The Farm Credit Administration, under section 8.11 of the Farm Credit Act of 1971, as amended, is assigned the responsibility of regulating this entity and assuring its safe and sound operation.

Expenses of the Farm Credit Administration are paid by assessments collected from the Farm Credit System institutions and by assessments to the Federal Agricultural Mortgage Corporation.

COMMITTEE RECOMMENDATIONS

The Committee recommends no limitation on administrative expenses of the Farm Credit Administration. This is the same as the House recommendation. The limitation in 1995 is \$40,420,000 and the budget requests a limitation of \$39,900,000.

The Committee has included an administrative provision in the bill to allow retired employees of the Farm Credit Administration to reenter the Federal Employees Health Benefits Program.

TITLE VII—GENERAL PROVISIONS

Sections 701, 713–718, and 721 of the general provisions contained in the accompanying bill are essentially the same as those included in last year’s appropriations act and continued in the House-passed bill.

The Committee retains the following House bill provisions:

Section 719 which provides that not more than 5 percent of class A stock of the Rural Telephone Bank may be retired in fiscal year 1996; and

Section 720 which prohibits the use of funds to provide benefits to households if such benefits are calculated using a standard deduction greater than the standard deduction in effect for fiscal year 1995.

The Committee amends section 712 to exempt grants awarded under the Small Business Innovation Development Act from the cap on indirect costs on research grants awarded competitively by the Cooperative State Research, Education, and Extension Service.

The Committee strikes the following two House bill provisions:

Section 722 which establishes a ceiling on the level of full-time equivalency positions at the fiscal year 1995 level for certain offices of the Food and Drug Administration; and

Section 723 which prohibits the use of funds provided by the act to carry out a market promotion program which provides assistance to the U.S. Mink Export Development Council or any mink industry trade association.

The Committee recommends the following new provisions:

Section 724 which limits the total acreage enrollment in the Wetlands Reserve Program in fiscal year 1996 to 100,000;

Section 725 which prohibits funds provided in the act from being used to carry out an export enhancement program in excess of \$800,000,000 in fiscal year 1996; and

Section 726 which eliminates the use of funds provided by the act to provide assistance to livestock producers if crop insurance protection or noninsured crop disaster assistance is available for the loss of feed produced on the farm under the Federal crop insurance program.

Section 727 which prohibits funds made available by the act from being used to enroll additional acreage in the Conservation Reserve Program in fiscal year 1996.

Section 728 which makes Commodity Credit Corporation funds available to producers for 1995 cotton crop losses due to insect damage. The Secretary will establish the terms and conditions under which these funds are disbursed.

Section 729 which prohibits funds made available by the act from being used to develop compliance guidelines, implement or enforce a regulation promulgated by the Food Safety and Inspection Service on August 25, 1995, until legislation is enacted into law which

directs the Secretary of Agriculture to promulgate such a regulation, or the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry receive and approve a proposed revised regulation submitted by the Secretary of Agriculture.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 1996, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) or the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119), the following information provides the definition of the term “program, project, and activity” for departments and agencies under the jurisdiction of the Agriculture, Rural Development, and Related Agencies Subcommittee. The term “program, project, and activity” shall include the most specific level of budget items identified in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996, the House and Senate Committee reports, and the conference report and accompanying joint explanatory statement of the managers of the committee of conference.

If a sequestration order is necessary, in implementing the Presidential order, departments and agencies shall apply any percentage reduction required for fiscal year 1996 pursuant to the provisions of Public Law 99-177 or Public Law 100-119 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 1996 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

For the Agricultural Research Service the definition shall include specific research locations as identified in the explanatory notes and lines of research specifically identified in the reports of the House and Senate Appropriations Committees.

For the Natural Resources Conservation Service the definition shall include individual flood prevention projects as identified in the explanatory notes and individual operational watershed projects as summarized in the notes.

For the Consolidated Farm Service Agency the definition shall include individual, regional, State, district, and county offices.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI OF THE STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports accompanying general appropriations bills identify each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.

The following amendments recommended by the Committee propose an item of appropriation which lacks authorization for fiscal year 1996:

- \$707,000,000 for the Agricultural Research Service;
- \$418,172,000 for research and education activities of the Cooperative State Research, Education, and Extension Service;

- \$171,304,000 to carry into effect the provisions of the Hatch Act;
- \$20,809,000 for grants for cooperative forestry research;
- \$28,157,000 for payments to the 1890 land-grant colleges and Tuskegee University;
- \$40,670,000 for special grants for agricultural research;
- \$9,769,000 for special grants for agricultural research on improved pest control;
- \$99,582,000 for competitive research grants;
- \$5,551,000 for the support of animal health and disease programs;
- \$500,000 for supplemental and alternative crops and products;
- \$500,000 for grants for research pursuant to the Critical Agricultural Materials Act of 1984 and section 1472 of the Food and Agriculture Act of 1977, as amended;
- \$8,112,000 for sustainable agriculture research and education;
- \$9,207,000 for a program of capacity building grants to colleges eligible to receive funds under the act of August 30, 1890, including Tuskegee University;
- \$10,686,000 for necessary expenses of research and education activities;
- \$57,838,000 for Cooperative State Research, Education, and Extension Service, buildings and facilities;
- \$437,131,000 for extension activities of the Cooperative State Research, Education, and Extension Service;
 - \$272,582,000 for payments for cooperative extension work under sections 3(b) and 3(c) of the Smith-Lever Act, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors;
 - \$61,431,000 for payments for the nutrition and family education program for low-income areas;
 - \$2,988,000 for payments for the farm safety program;
 - \$7,901,000 for payments to upgrade 1890 land-grant college research, extension, and teaching facilities;
 - \$950,000 for payments for the rural development centers;
 - \$11,234,000 for payments for a ground water quality program;
 - \$1,221,000 for payments for the rural telecommunications program;
 - \$10,000,000 for payments for youth-at-risk programs;
 - \$4,265,000 for payments for a nutrition education initiative;
 - \$2,475,000 for a food safety program;
 - \$3,341,000 for carrying out the provisions of the Renewable Resources Extension Act of 1978;
 - \$1,750,000 for payments for Indian reservation agents;
 - \$2,750,000 for payments for rural health and safety education;
 - \$25,472,000 for payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act and Tuskegee University;

- \$10,998,000 for Federal administration and coordination, including administration of the Smith-Lever Act, as amended, and the act of September 29, 1977, as amended, and section 1361(c) of the act of October 3, 1980, and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions;
- \$27,000,000 for resource conservation and development;
- \$6,325,000 for the Forestry Incentives Program;
- \$3,000,000 for State mediation grants;
- \$34,053,000 for the cost of direct and guaranteed farm ownership loans;
- \$111,505,000 for the cost of direct and guaranteed farm operating loans;
- \$77,000,000 for the Wetlands Reserve Program;
- \$86,000,000 for the Commodity Supplemental Food Program;
- \$28,097,828,000 for the Food Stamp Program;
- \$217,250,000 for food donations programs for selected groups;
- \$40,000,000 to carry out section 110 of the Hunger Prevention Act of 1988; and
- \$40,000,000 for the Emergency Food Assistance Program.

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI OF THE
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, the accompanying bill was ordered reported from the Committee, subject to amendment and subject to the subcommittee allocation, by recorded vote of 28–0, a quorum being present.

Yeas	Nays
Chairman Hatfield	
Mr. Stevens	
Mr. Cochran	
Mr. Specter	
Mr. Domenici	
Mr. Gramm	
Mr. Bond	
Mr. Gorton	
Mr. McConnell	
Mr. Mack	
Mr. Burns	
Mr. Shelby	
Mr. Jeffords	
Mr. Gregg	
Mr. Bennett	
Mr. Byrd	
Mr. Inouye	
Mr. Hollings	
Mr. Johnston	
Mr. Leahy	
Mr. Bumpers	
Mr. Lautenberg	
Mr. Harkin	
Ms. Mikulski	
Mr. Reid	

Mr. Kerrey
 Mr. Kohl
 Mrs. Murray

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
 STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

The Committee recommends the following legislative provision regarding the administration of chapter 89 of title 5, United States Code:

SEC. 601. (a) For purposes of the administration of chapter 89 of title 5, United States Code, any period of enrollment under a health benefits plan administered by the Farm Credit Administration prior to the effective date of this Act shall be deemed to be a period of enrollment in a health benefits plan under chapter 89 of such title.

(b)(1) An individual who, on September 30, 1995, is covered by a health benefits plan administered by the Farm Credit Administration may enroll in an approved health benefits plan described under section 8903 or 8903a of title 5, United States Code—

(A) either as an individual or for self and family, if such individual is an employee, annuitant, or former spouse as defined under section 8901 of such title; and

(B) for coverage effective on and after September 30, 1995.

(2) An individual who, on September 30, 1995, is entitled to continued coverage under a health benefits plan administered by the Farm Credit Administration—

(A) shall be deemed to be entitled to continued coverage under section 8905a of title 5, United States Code, for the same period that would have been permitted under the plan administered by the Farm Credit Administration; and

(B) may enroll in an approved health benefits plan described under section 8903 or 8903a of such title in accordance with section 8905A of such title for coverage effective on and after September 30, 1995.

(3) An individual who, on September 30, 1995, is covered as an unmarried dependent child under a health benefits plan administered by the Farm Credit Administration and who is not a member of family as defined under section 8901(5) of title 5, United States Code—

(A) shall be deemed to be entitled to continued coverage under section 8905a of such title as though the individual had, on September 30, 1995, ceased to meet the requirements for being considered an unmarried dependent child under chapter 89 of such title; and

(B) may enroll in an approved health benefits plan described under section 8903 or 8903a of such title in accordance with section 8905a for continued coverage on and after September 30, 1995.

(c) The Farm Credit Administration shall transfer to the Federal Employees Health Benefits Fund established under section 8909 of title 5, United States Code, amounts determined by the Director of the Office of Personnel Management, after consultation with the Farm Credit Administration, to be necessary to reimburse the Fund for the cost of providing benefits under this section not otherwise paid for by the individual's covered by this section. The amount so transferred shall be held in the Fund and used by the Office in addition to the amounts available under section 8906(g)(1) of such title.

(d) The Office of Personnel Management—

(1) shall administer the provisions of this section to provide for—

(A) a period of notice and open enrollment for individuals affected by this section; and

(B) no lapse of health coverage for individuals who enroll in a health benefits plan under chapter 89 of title 5, United States Code, in accordance with this section; and

(2) may prescribe regulations to implement this section.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1996

Item	1995 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with (+ or -)		
					1995 appropriation	Budget estimate	House allowance
TITLE I—AGRICULTURAL PROGRAMS							
Production, Processing, and Marketing							
Office of the Secretary	\$2,770,000	\$2,886,000	\$10,227,000	\$12,801,000	+\$10,031,000	+\$9,915,000	+\$2,574,000
Executive Operations:							
Chief Economist		4,240,000	3,948,000	3,814,000	+3,814,000	-426,000	-134,000
Office of the Assistant Secretary for Economics	540,000				-540,000		
World Agricultural Outlook Board	2,498,000				-2,498,000		
National Appeals Division		12,166,000	11,846,000	11,846,000	+11,846,000	-320,000	
Office of Budget and Program Analysis	5,795,000	5,899,000	5,899,000	5,899,000	+104,000		
Office of Small and Disadvantaged Business Utilization		724,000				-724,000	
Total, Executive Operations	8,833,000	23,029,000	21,693,000	21,559,000	+12,726,000	-1,470,000	-134,000
Chief Financial Officer	580,000	4,952,000	4,133,000	4,133,000	+3,553,000	-819,000	
Office of the Assistant Secretary for Administration	596,000	616,000	596,000	596,000		-20,000	
Agriculture buildings and facilities (USDA)	135,193,000	135,774,000	135,774,000	135,774,000	+581,000		
Payments to GSA	(87,957,000)	(89,971,000)	(89,971,000)	(89,971,000)	(+2,014,000)		
Building operations and maintenance	(18,614,000)	(20,216,000)	(20,216,000)	(20,216,000)	(+1,602,000)		
Repairs, renovations, and construction	(28,622,000)	(25,587,000)	(25,587,000)	(25,587,000)	(-3,035,000)		
Advisory committees (USDA)	928,000	885,000	800,000	650,000	-278,000	-235,000	-150,000
Hazardous waste management	15,700,000	15,700,000	15,700,000	15,700,000			
Departmental administration	26,187,000	87,347,000	27,986,000	27,986,000	+1,799,000	-59,361,000	
Office of the Assistant Secretary for Congressional Relations	1,764,000	1,838,000	3,797,000	1,764,000		-74,000	-2,033,000
Office of Communications	8,198,000	8,198,000	8,198,000	8,198,000		-692,000	
Office of the Inspector General	63,418,000	64,739,000	63,639,000	63,639,000	+221,000	-1,100,000	
Office of the General Counsel	25,992,000	27,860,000	27,860,000	27,860,000	+1,868,000		
Office of the Under Secretary for Research, Education and Economics	520,000	535,000	520,000	520,000		-15,000	
Economic Research Service	53,936,000	54,665,000	53,131,000	53,526,000	-410,000	-1,139,000	+395,000
National Agricultural Statistics Service	81,424,000	89,837,000	81,107,000	81,107,000	-317,000	-8,730,000	
Agricultural Research Service	714,689,000	709,810,000	705,610,000	707,000,000	-7,689,000	-2,810,000	+1,390,000

Human Nutrition Information Service	(10,618,000)	30,200,000	30,200,000	30,200,000	-13,518,000	-2,810,000	+1,390,000
Buildings and facilities	43,718,000						
Total, Agricultural Research Service	758,407,000	740,010,000	735,810,000	737,200,000	-21,207,000	-2,810,000	+1,390,000
Cooperative State Research, Education, and Extension Activities:							
Research and education activities	432,387,000	432,212,000	389,172,000	418,172,000	-14,215,000	-14,040,000	+29,000,000
Native Americans Institutions Endowment Fund		(4,600,000)	(4,600,000)	(4,600,000)	(+4,600,000)		
Buildings and facilities	60,983,000			57,838,000	-3,145,000	+57,838,000	+57,838,000
Extension Activities	438,744,000	437,552,000	413,257,000	437,131,000	-1,613,000	-421,000	+23,874,000
Total, Cooperative State Research, Education, and Extension Activities	932,114,000	869,764,000	802,429,000	913,141,000	-18,973,000	+43,377,000	+110,712,000
Office of the Assistant Secretary for Marketing and Regulatory Programs	605,000	625,000	605,000	605,000		-20,000	
Animal and Plant Health Inspection Service:							
Salaries and expenses	443,651,000	430,279,000	433,664,000	429,379,000	-14,272,000	-900,000	-4,285,000
Special fund, user fees ¹	(96,660,000)	(100,254,000)	(100,254,000)	(100,254,000)	(+3,594,000)		
Buildings and facilities	4,973,000	12,541,000	12,541,000	4,973,000		-7,568,000	-7,568,000
Total, Animal and Plant Health Inspection Service	448,624,000	442,820,000	446,205,000	434,352,000	-14,272,000	-8,468,000	-11,853,000
Agricultural Marketing Service:							
Marketing Services	56,591,000	50,607,000	46,662,000	46,517,000	-10,074,000	-4,090,000	-145,000
New user fees	(4,452,000)	(3,887,000)	(3,887,000)	(3,887,000)	(-565,000)		
(Limitation on administrative expenses, from fees collected)							
Funds for strengthening markets, income, and supply (transfer from section 32)	(57,054,000)	(58,461,000)	(58,461,000)	(58,461,000)	(+1,407,000)		
Payments to States and possessions	10,309,000	10,451,000	10,451,000	10,451,000	+142,000		
Total	1,200,000	1,200,000	1,000,000	1,200,000			+200,000
Total, Agricultural Marketing Service	68,100,000	62,258,000	58,113,000	58,168,000	-9,932,000	-4,090,000	+55,000
Grain Inspection, Packers and Stockyards Administration	23,314,000	23,679,000	23,058,000	23,289,000	-25,000	-390,000	+231,000
Inspection and Weighing Services (limitation on administrative expenses, from fees collected)	(42,784,000)	(42,784,000)	(42,784,000)	(42,784,000)			
Office of the Under Secretary for Food Safety		580,000	450,000	440,000	+440,000	-140,000	-10,000
Food Safety and Inspection Service	525,820,000	594,889,000	540,365,000	588,685,000	+42,865,000	-26,204,000	+28,320,000
Lab accreditation fees ²	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)			

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1996—Continued

Item	Senate Committee recommendation compared with (+ or -)		House allowance	Committee recommendation	1995 appropriation	Budget estimate	House allowance	Committee recommendation	1995 appropriation	Budget estimate	House allowance
	1995 appropriation	Budget estimate									
Total, Production, Processing, and Marketing ..	3,183,023,000	3,254,178,000	3,062,196,000	3,191,693,000	+ 8,670,000	- 62,485,000	+ 129,497,000				
Farm Assistance Programs											
Office of the Under Secretary for Farm and Foreign Agricultural Services	549,000	570,000	549,000	549,000		- 21,000					
Consolidated Farm Service Agency:											
Salaries and expenses		811,771,000	788,388,000	805,888,000	+ 805,888,000	- 5,883,000	+ 17,500,000				
Agricultural Stabilization and Conservation Service salaries and expenses	721,333,000				- 721,333,000						
(Transfer from export loans)	(589,000)	(608,000)	(589,000)	(589,000)		(- 19,000)					
(Transfer from Public Law 480)	(1,036,000)	(745,000)	(745,000)	(745,000)							
(Transfer from ACIF)	(200,227,000)	(214,163,000)	(208,446,000)	(214,163,000)	+ 13,936,000						(+ 5,717,000)
Total, salaries and expenses	(823,185,000)	(1,027,287,000)	(998,168,000)	(1,021,385,000)	+ 98,200,000	(- 5,902,000)	(+ 23,217,000)				
State mediation grants	3,000,000	3,000,000	2,000,000	3,000,000			+ 1,000,000				
Dairy indemnity program		100,000	100,000	100,000							
Outreach for socially disadvantaged farmers and ranchers	2,995,000	3,000,000		2,000,000	- 995,000	- 1,000,000	+ 2,000,000				
Total, Consolidated Farm Service Agency	727,328,000	817,871,000	790,488,000	810,988,000	+ 83,660,000	- 6,883,000	+ 20,500,000				
Agricultural Credit Insurance Fund Program Account:											
Loan authorizations:											
Farm ownership loans:											
Direct	(78,081,000)	(70,000,000)	(35,000,000)	(60,000,000)	(- 18,081,000)	(- 10,000,000)	(+ 25,000,000)				
Guaranteed	(540,674,000)	(540,687,000)	(550,000,000)	(550,000,000)	(+ 9,326,000)	(+ 9,313,000)					
Subtotal	(618,755,000)	(610,687,000)	(585,000,000)	(610,000,000)	(- 8,755,000)	(- 687,000)	(+ 25,000,000)				
Operating loans:											
Direct	(500,000,000)	(542,860,000)	(400,000,000)	(550,000,000)	(+ 50,000,000)	(+ 7,140,000)	(+ 150,000,000)				
Guaranteed unsubsidized	(1,735,000,000)	(1,700,000,000)	(1,700,000,000)	(1,700,000,000)							
Guaranteed subsidized	(230,000,000)	(200,000,000)	(200,000,000)	(200,000,000)							
Subtotal	(2,465,000,000)	(2,442,860,000)	(2,300,000,000)	(2,450,000,000)	(- 15,000,000)	(+ 7,140,000)	(+ 150,000,000)				

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1996—Continued

Item	Senate Committee recommendation compared with (+ or -)					
	1995 appropriation	Budget estimate	House allowance	Committee recommendation		
(Loan authorization)	(3,184,755,000)	(3,203,867,000)	(3,008,250,000)	(3,182,446,000)		
Total, Farm Assistance Programs	1,124,467,000	1,233,204,000	1,168,183,000	1,220,605,000		
CORPORATIONS						
Federal Crop Insurance Corporation: Federal crop insurance corporation fund	219,107,000	1,263,708,000	1,263,708,000	1,263,708,000		
Commodity Credit Corporation: Reimbursement for net realized losses	15,500,000,000	10,400,000,000	10,400,000,000	10,400,000,000		
Hazardous waste (limitation on administrative expenses)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)		
Borrowing authority (emergency)	1,000,000,000	.....	.....	.....
Total, Corporations	16,719,107,000	11,663,708,000	11,663,708,000	11,663,708,000		
Total, title I, Agricultural Programs	21,026,597,000	16,151,090,000	15,894,087,000	16,076,006,000		
(By transfer)	(201,852,000)	(215,516,000)	(209,780,000)	(215,497,000)		
(Loan authorization)	(3,184,755,000)	(3,203,867,000)	(3,008,250,000)	(3,182,446,000)		
(Limitation on administrative expenses)	(104,838,000)	(106,245,000)	(106,245,000)	(106,245,000)		
TITLE II—CONSERVATION PROGRAMS						
Office of the Under Secretary for Natural Resources and Environment	677,000	696,000	677,000	677,000		
Natural Resource Conservation Service: Conservation operations	556,062,000	645,735,000	629,986,000	637,860,000		
River basin surveys, investigations, and watershed planning .....	.....	.....	14,000,000	.....	
River basin surveys and investigations	12,970,000	11,210,000	.....	8,369,000	
Watershed planning	10,546,000	7,542,000	.....	5,630,000	
Watershed and flood prevention operations	70,000,000	100,000,000	100,000,000	100,000,000		
Senate Committee recommendation compared with (+ or -)						
				1995 appropriation	Budget estimate	House allowance
(Loan authorization)	(3,184,755,000)	(3,203,867,000)	(3,008,250,000)	(-2,309,000)	(-21,421,000)	(+174,196,000)
Total, Farm Assistance Programs	1,124,467,000	1,233,204,000	1,168,183,000	+96,138,000	-12,599,000	+52,422,000
CORPORATIONS						
Federal Crop Insurance Corporation: Federal crop insurance corporation fund	219,107,000	1,263,708,000	1,263,708,000	+1,044,601,000
Commodity Credit Corporation: Reimbursement for net realized losses	15,500,000,000	10,400,000,000	10,400,000,000	-5,100,000,000
Hazardous waste (limitation on administrative expenses)	(5,000,000)	(5,000,000)	(5,000,000)
Borrowing authority (emergency)	1,000,000,000	-1,000,000,000
Total, Corporations	16,719,107,000	11,663,708,000	11,663,708,000	-5,055,399,000
Total, title I, Agricultural Programs	21,026,597,000	16,151,090,000	15,894,087,000	-4,950,591,000	-75,084,000	+181,919,000
(By transfer)	(201,852,000)	(215,516,000)	(209,780,000)	(+13,645,000)	(-19,000)	(+5,717,000)
(Loan authorization)	(3,184,755,000)	(3,203,867,000)	(3,008,250,000)	(-2,309,000)	(-21,421,000)	(+174,196,000)
(Limitation on administrative expenses)	(104,838,000)	(106,245,000)	(106,245,000)	(+1,407,000)
TITLE II—CONSERVATION PROGRAMS						
Office of the Under Secretary for Natural Resources and Environment	677,000	696,000	677,000	-19,000
Natural Resource Conservation Service: Conservation operations	556,062,000	645,735,000	629,986,000	+81,798,000	-7,875,000	+7,874,000
River basin surveys, investigations, and watershed planning	14,000,000	-14,000,000
River basin surveys and investigations	12,970,000	11,210,000	-4,601,000	-2,841,000	+8,369,000
Watershed planning	10,546,000	7,542,000	-4,916,000	-1,912,000	+5,630,000
Watershed and flood prevention operations	70,000,000	100,000,000	100,000,000	+30,000,000

Resource conservation and development, Great Plains conservation program, forestry incentives program, and Colorado River Basin salinity control program	36,000,000	27,000,000	-5,845,000	-1,900,000	-36,000,000
Resource conservation and development	28,900,000	27,000,000	-5,845,000	-1,900,000	+27,000,000
Great Plains conservation program	11,000,000	15,172,000	-3,000,000	-11,000,000	+6,325,000
Forestry incentives program	6,625,000	6,325,000	-300,000	-300,000	+1,000,000
Colorado River Basin salinity control program	4,500,000	1,000,000	-3,500,000	-1,681,000	+133,000,000
Wetlands reserve program	210,000,000	77,000,000	-16,200,000	-133,000,000	
Total, Natural Resource Conservation Service - Consolidated Farm Service Agency	801,920,000	1,023,693,000	+61,264,000	-160,509,000	-126,802,000
Agricultural conservation program	100,000,000	50,000,000	-50,000,000		-25,000,000
Water quality incentives program	(15,000,000)	(15,000,000)			(+4,000,000)
Emergency conservation program	3,000,000			-3,000,000	
Conservation reserve program	1,743,274,000	1,926,370,000	+38,511,000	-144,585,000	
Total, Consolidated Farm Service Agency	1,843,274,000	1,856,785,000	-11,489,000	-147,585,000	-25,000,000
Total, title II, Conservation Programs	2,645,871,000	3,003,759,000	+49,775,000	-308,113,000	-151,802,000
TITLE III—RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS					
Office of the Under Secretary for Rural Economic and Community Development	568,000	568,000		-18,000	+528,839,000
Rural Community Advancement Program			+528,839,000	+528,839,000	+58,051,000
Administrative expenses			+58,051,000	+58,051,000	
Rural Housing and Community Development Service: Rural Housing Insurance Fund Program Account: Loan authorizations:					
Low-income housing (sec. 502)	(1,200,000,000)	(1,200,000,000)	(1,000,000,000)	(-200,000,000)	(+450,000,000)
Unsubsidized guarantee	(1,000,000,000)	(1,700,000,000)	(1,700,000,000)	(+400,000,000)	
Housing repair (sec. 504)	(35,000,000)	(35,000,000)	(35,000,000)		
Farm labor (sec. 514)	(15,915,000)	(15,000,000)	(-915,000)		
Rental housing (sec. 515)	(190,476,000)	(170,000,000)	(-40,476,000)	(-20,000,000)	
Site loans (sec. 524)	(632,000)	(632,000)	(-32,000)		
Credit sales of acquired property		(75,000,000)	(+42,484,000)	(-32,516,000)	(+7,484,000)
Total Loan authorizations	(2,442,023,000)	(2,797,114,000)	(+501,061,000)	(+145,970,000)	(+457,484,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1996—Continued

Item	Senate Committee recommendation compared with (+ or -)					
	1995 appropriation	Budget estimate	House allowance	Committee recommendation		
				1995 appropriation	Budget estimate	House allowance
Loan subsidies:						
Single family (sec. 502):						
Direct						
Unsubsidized guaranteed	227,520,000	251,880,000	115,445,000	209,900,000	-41,980,000	+ 94,455,000
Housing repair (sec. 504)	17,200,000	2,210,000	2,890,000	2,890,000	+ 680,000	
Farm labor (sec. 514)	11,690,000	14,193,000	14,193,000	14,193,000		
Rental housing (sec. 515):	7,911,000	9,482,000	8,629,000	8,629,000	-853,000	
Direct	100,000,000	92,973,000	82,035,000	82,035,000	-10,938,000	
Unsubsidized guaranteed	(1,000,000)		(1,000,000)	(-1,000,000)		(-1,000,000)
Credit sales of acquired property		13,073,000	6,100,000	7,405,000	-5,668,000	+1,305,000
Total, Loan subsidies	364,321,000	383,811,000	229,292,000	325,052,000	-58,759,000	+95,760,000
RHF administrative expenses	389,818,000	395,211,000	385,889,000	389,818,000	-5,393,000	+3,929,000
Rental assistance:						
(Sec. 521)	517,108,000	565,583,000	530,000,000	535,000,000	-30,583,000	+5,000,000
(Sec. 502(c)(5)(D))	5,900,000	5,900,000	5,900,000	5,900,000		
Total, Rental assistance	523,008,000	571,483,000	535,900,000	540,900,000	-30,583,000	+5,000,000
Total, Rural Housing Insurance Fund	1,277,147,000	1,350,505,000	1,151,081,000	1,255,770,000	-21,377,000	+104,689,000
(Loan authorization)	(2,442,023,000)	(2,797,114,000)	(2,485,600,000)	(2,943,084,000)	(+501,061,000)	(+457,484,000)
Self-Help Housing Land Development Fund:						
Loan authorization	(603,000)	(603,000)	(603,000)	(603,000)		
Loan subsidy	11,000	31,000	31,000	31,000	+20,000	
Administrative expenses	14,000				-14,000	
Rural Community Facility Loans Program Account:						
Loan authorizations:						
Direct	(225,000,000)		(200,000,000)			(-200,000,000)
Guaranteed	(75,000,000)		(75,000,000)			(-75,000,000)
Total, Loan authorizations	(300,000,000)		(275,000,000)			(-275,000,000)

Loan subsidies:									
Direct	21,375,000						-21,375,000		-34,880,000
Guaranteed	3,728,000						-3,728,000		-3,555,000
	<u>25,103,000</u>						<u>-25,103,000</u>		<u>-38,435,000</u>
Total, Loan subsidies									-8,836,000
Administrative expenses									
Very low-income housing repair grants	24,900,000								
Rural housing for domestic farm labor	10,900,000								
Mutual and self-help housing	12,650,000								
Supervisory and technical assistance grants	2,500,000								
Rural community fire protection grants	3,400,000								
Compensation for construction defects	495,000								
Rural housing preservation grants	22,000,000								
Subtotal, grants and payments	<u>74,345,000</u>						<u>-11,300,000</u>		<u>+3,000,000</u>
RHCDS expenses:									
Administrative expenses									
(Transfer from RHF)	53,650,000								
(Transfer from ACF)	(382,074,000)								
(Transfer from RCFLP)	(171,000)								
(Transfer from RCFLP)	(11,114,000)								
Total, RHCDS expenses	<u>(389,818,000)</u>						<u>(+37,559,000)</u>		<u>(+2,757,000)</u>
Total, Rural Housing and Community Development Service	<u>1,376,620,000</u>						<u>-7,428,000</u>		<u>+67,944,000</u>
(Loan authorization)	<u>(2,742,626,000)</u>						<u>(+201,061,000)</u>		<u>(+182,484,000)</u>

Rural Business and Cooperative Development Service:

Rural Business and Industry Loans Program Account:

Loan authorizations:									
Direct									
Guaranteed	(500,000,000)								(-500,000,000)
Total, loan authorizations	<u>(500,000,000)</u>						<u>(-500,000,000)</u>		<u>(-500,000,000)</u>
Loan subsidies:									
Direct									
Guaranteed	4,750,000								
Total, loan subsidies	<u>4,750,000</u>						<u>-4,750,000</u>		<u>-6,437,000</u>
Administrative expenses									
Total, loan subsidies	6,437,000								
Administrative expenses	14,868,000								
Total, loan subsidies	<u>21,305,000</u>						<u>-9,218,000</u>		<u>-14,868,000</u>

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1996—Continued

Item	Senate Committee recommendation compared with (+ or -)						
	1995 appropriation	Budget estimate	House allowance	Committee recommendation	1995 appropriation	Budget estimate	House allowance
Rural Development Loan Fund Program Account:							
(Loan authorization)	(88,038,000)	.....	(7,246,000)	(30,000,000)	(- 58,038,000)	(+ 30,000,000)	(+ 22,754,000)
Loan subsidy	46,000,000	.....	4,322,000	17,895,000	- 28,105,000	+ 17,895,000	+ 13,573,000
Administrative expenses	1,476,000	.....	.....	1,476,000	.....	+ 1,476,000	+ 1,476,000
Total, Rural Development Loan Fund	47,476,000	.....	4,322,000	19,371,000	- 28,105,000	+ 19,371,000	+ 15,049,000
(Loan authorization)	(88,038,000)	.....	(7,246,000)	(30,000,000)	(- 58,038,000)	(+ 30,000,000)	(+ 22,754,000)
Rural Economic Development Loans Program Account:							
Direct loans (limitation on obligations)	(12,865,000)	(14,091,000)	(12,865,000)	(12,865,000)	.....	(- 1,226,000)	.....
Direct subsidy	3,077,000	4,085,000	3,729,000	3,729,000	+ 652,000	- 356,000	.....
Administrative expenses .....	.....	864,000	584,000	724,000	+ 724,000	- 140,000	+ 140,000
Alternative Agricultural Research and Commercialization Revolving Fund .....	.....	.....	.....	.....	.....	.....	.....
Loan authorization	5,000,000	8,000,000	5,000,000	10,000,000	+ 5,000,000	+ 2,000,000	+ 5,000,000
Loan subsidy .....	.....	(25,000,000)	.....	.....	.....	(- 25,000,000)	.....
Administrative expenses .....	.....	7,138,000	.....	.....	.....	- 7,138,000	.....
Rural business enterprise grants	47,500,000	500,000	45,000,000	.....	.....	- 500,000	.....
Rural technology and cooperative development grants	1,750,000	.....	1,500,000	1,500,000	- 250,000	+ 1,500,000	.....
Local technical assistance and planning grants .....	.....	.....	.....	.....	.....	.....	.....
RBCDS expenses:	.....	.....	.....	.....	.....	.....	.....
Salaries and expenses	57,294,000	.....	9,520,000	9,013,000	- 48,281,000	+ 9,013,000	- 507,000
Salaries and expenses, FmHA (Transfer from RBILP)	37,811,000	.....	(14,747,000)	.....	- 37,811,000	.....	.....
(Transfer from RDLFP)	(1,476,000)	(2,948,000)	(19,582,000)	(1,470,000)	.....	(- 19,582,000)	(- 14,747,000)
(Transfer from RETLP) .....	.....	(864,000)	(584,000)	(724,000)	(- 6,000)	(- 1,478,000)	(+ 1,470,000)
Self-Help HLDf (by transfer)	(14,000)	.....	.....	.....	(+ 724,000)	(- 140,000)	(+ 140,000)
RBCDS (by transfer) .....	.....	.....	.....	.....	(- 14,000)	.....	.....

Total, RBCDS expenses	(96,595,000)	(23,394,000)	(24,851,000)	(11,207,000)	(- 85,388,000)	(- 12,187,000)	(- 13,644,000)
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Total, Rural Business and Cooperative Development Service	204,658,000	20,587,000	90,960,000	44,337,000	- 160,321,000	+ 23,750,000	- 46,623,000
(By transfer)	(1,490,000)	(23,394,000)	(15,331,000)	(2,194,000)	(+ 704,000)	(- 21,200,000)	(- 13,137,000)
(Loan authorization)	(588,038,000)	(25,000,000)	(507,246,000)	(30,000,000)	(- 558,038,000)	(+ 5,000,000)	(- 477,246,000)
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Rural Utilities Service:							
Loan authorizations:							
Water and waste disposal facility loans:							
Direct	(905,523,000)				(- 905,523,000)		
Loan subsidies: Water and sewer: Direct	126,502,000				- 126,502,000		
Administrative expenses							
Rural Electrification and Telephone Loans Program Account:							
Loan authorizations:							
Direct loans:							
Electric 5 percent	(100,000,000)	(100,000,000)	(90,000,000)	(90,000,000)	(- 10,000,000)	(- 10,000,000)	
Telephone 5 percent	(54,534,000)	(75,000,000)	(70,000,000)	(70,000,000)	(+ 15,466,000)	(- 5,000,000)	
Subtotal	(154,534,000)	(175,000,000)	(160,000,000)	(160,000,000)	(+ 5,466,000)	(- 15,000,000)	
Treasury rate: Telephone	(297,000,000)	(300,000,000)	(300,000,000)	(300,000,000)	(+ 3,000,000)		
Muni-rate: Electric	(575,250,000)	(575,250,000)	(500,000,000)	(550,000,000)	(- 25,250,000)	(- 25,250,000)	(+ 50,000,000)
FFB loans:							
Electric, regular	(300,000,000)	(400,000,000)	(300,000,000)	(300,000,000)		(- 100,000,000)	
Telephone	(120,000,000)	(120,000,000)	(120,000,000)	(120,000,000)			
Subtotal	(420,000,000)	(520,000,000)	(420,000,000)	(420,000,000)		(- 100,000,000)	
Total, Loan authorizations	(1,446,784,000)	(1,570,250,000)	(1,380,000,000)	(1,430,000,000)	(- 16,784,000)	(- 140,250,000)	(+ 50,000,000)
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Loan subsidies:							
Direct loans:							
Electric 5 percent	9,703,000	23,520,000	21,168,000	21,168,000	+ 11,465,000	- 2,352,000	
Telephone 5 percent	3,997,000	14,955,000	13,958,000	13,958,000	+ 9,961,000	- 997,000	
Subtotal	13,700,000	38,475,000	35,126,000	35,126,000	+ 21,426,000	- 3,349,000	
Treasury rate: Telephone	60,000	60,000	60,000	60,000			
Muni-rate, electric	46,020,000	62,300,000	54,150,000	59,565,000	+ 13,545,000	- 2,735,000	+ 5,415,000
FFB loans: Electric, regular	450,000	3,360,000	2,520,000	2,520,000	+ 2,070,000	- 840,000	
Negative subsidy		- 1,715,000				+ 1,715,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1996—Continued

Item	Senate Committee recommendation compared with (+ or -)						
	1995 appropriation	Budget estimate	House allowance	Committee recommendation			
Total, loan subsidies	60,230,000	102,480,000	91,856,000	97,271,000	+ 37,041,000	- 5,209,000	+ 5,415,000
RETLP administrative expenses	29,982,000	34,385,000	29,982,000	32,183,000	+ 2,201,000	- 2,202,000	+ 2,201,000
Total, Rural Electrification and Telephone Loans Program Account	90,212,000	136,865,000	121,838,000	129,454,000	+ 39,242,000	- 7,411,000	+ 7,616,000
(Loan authorization)	(1,446,784,000)	(1,570,250,000)	(1,380,000,000)	(1,430,000,000)	(- 16,784,000)	(- 140,250,000)	(+ 50,000,000)
Rural Telecommunication Partnership Loan Program Account:							
Loan authorization		(15,000,000)				(- 15,000,000)	
Loan subsidy		594,000				- 594,000	
Administrative expenses		1,110,000				- 1,110,000	
Total		1,704,000				- 1,704,000	
Rural Telephone Bank Program Account:							
Direct loans (limitation on obligations)	(175,000,000)		(175,000,000)	(175,000,000)		(+ 175,000,000)	
Direct loan subsidy	770,000		770,000	5,023,000	+ 4,253,000	+ 5,023,000	+ 4,253,000
RTB salaries and expenses	8,794,000		3,541,000	6,167,000	- 2,627,000	+ 6,167,000	+ 2,626,000
Distance Learning and Medical Link Grants	7,500,000	15,000,000	7,500,000	7,500,000		- 7,500,000	
Rural water and waste disposal grants	500,000,000				- 500,000,000		
Solid waste management grants	2,995,000				- 2,995,000		
Rural Utilities Performance Partnerships Program			435,000,000				- 435,000,000
Solid waste management grants, rural water and waste disposal grants, and water and waste disposal facility loans (admin. expenses)			12,740,000				- 12,740,000
RUS salaries and expenses		19,627,000	19,211,000	18,449,000	+ 18,449,000	- 1,178,000	- 762,000
Electric and telephone loans (by transfer) ..	(29,982,000)	(34,385,000)	(29,982,000)	(32,183,000)	(+ 2,201,000)	(- 2,202,000)	(+ 2,201,000)
Rural telephone bank (by transfer)	(8,794,000)		(3,541,000)	(6,167,000)	(- 2,627,000)	(+ 6,167,000)	(+ 2,626,000)
Water and waste disposal loans (by transfer)		(17,790,000)				(- 17,790,000)	

Rural Telecommunication Partnership Loan (by transfer)	(1,110,000)						(-1,110,000)	
Agricultural Credit Insurance Fund (by transfer)	(318,000)	(318,000)				(318,000)	(+318,000)	
Rural partnership (by transfer)		(12,623,000)						(-12,623,000)
Subtotal	(38,776,000)	(73,230,000)	(65,675,000)	(57,117,000)	(+18,341,000)	(-16,113,000)		(-8,558,000)
Total, Rural Utilities Service	736,773,000	173,196,000	600,600,000	166,593,000	-570,180,000	-6,603,000		-434,007,000
(By transfer)	(38,776,000)	(53,603,000)	(46,464,000)	(38,668,000)	(-108,000)	(-14,935,000)		(-7,796,000)
(Loan authorization)	(2,352,307,000)	(1,585,250,000)	(1,380,000,000)	(1,430,000,000)	(-922,307,000)	(-155,250,000)		(+50,000,000)
(Limitation on obligations)	(175,000,000)		(175,000,000)	(175,000,000)		(+175,000,000)		
Rural Development Performance Partnership program		1,049,974,000						-1,049,974,000
Total, title III, Rural Economic and Community Development Programs	2,318,619,000	2,721,974,000	1,993,376,000	2,167,580,000	-151,039,000	-554,394,000		+174,204,000
(By transfer)	(430,084,000)	(470,356,000)	(443,595,000)	(417,893,000)	(-12,191,000)	(-52,463,000)		(-25,702,000)
(Loan authorization)	(5,682,971,000)	(4,407,967,000)	(4,648,449,000)	(4,403,687,000)	(-1,279,284,000)	(-4,280,000)		(-244,762,000)
(Limitation on obligations)	(187,865,000)	(14,091,000)	(187,865,000)	(187,865,000)		(+173,774,000)		
TITLE IV—DOMESTIC FOOD PROGRAMS								
Office of the Under Secretary for Food, Nutrition and Consumer Services	540,000	553,000	440,000	540,000				+100,000
Food and Consumer Service:								
Child nutrition programs	2,202,274,000	2,399,942,000	2,354,566,000	2,354,752,000	+152,478,000	-45,190,000		+186,000
Transfer from section 32	5,249,077,000	5,520,492,000	5,597,858,000	5,597,858,000	+348,781,000	+1,577,366,000		
Total, Child nutrition programs	7,451,351,000	7,920,434,000	7,952,424,000	7,952,610,000	+501,259,000	+32,176,000		+186,000
Special milk program	18,089,000				-18,089,000			
Special supplemental nutrition program for women, infants, and children (WIC)	3,470,000,000	3,820,000,000	3,729,807,000	3,729,807,000	+259,807,000	-90,193,000		
(By transfer)			(4,000,000)	(4,000,000)	(+4,000,000)	(+4,000,000)		
Commodity supplemental food program	84,500,000	86,000,000		86,000,000	+1,500,000			+86,000,000
Food stamp program:								
Expenses	25,187,710,000	26,119,887,000	25,954,828,000	25,954,828,000	+767,118,000	-165,059,000		
Reserve	2,500,000,000	2,500,000,000		1,000,000,000	-1,500,000,000			+1,000,000,000
Nutrition assistance for Puerto Rico	1,130,528,000	1,143,000,000	1,143,000,000	1,143,000,000	+12,472,000			
Cattle tick eradication	12,472,000				-12,472,000			
Total, Food stamp program	28,830,710,000	29,762,887,000	27,097,828,000	28,097,828,000	-732,882,000	-1,665,059,000		+1,000,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1996—Continued

Item	Senate Committee recommendation compared with (+ or -)					
	1995 appropriation	Budget estimate	House allowance	Committee recommendation		
Food donations programs for selected groups:						
Needy family program	33,154,000	78,639,000	65,000,000	66,000,000		
Elderly feeding program	150,000,000	151,250,000	150,000,000	151,250,000		
Subtotal	183,154,000	229,889,000	215,000,000	217,250,000		
Soup Kitchens	40,000,000	40,000,000	40,000,000	40,000,000		
Total, Food donations programs	223,154,000	269,889,000	215,000,000	257,250,000		
The emergency food assistance program	40,000,000	40,000,000	40,000,000	40,000,000		
Commodity purchases—TEFAP	25,000,000	.....	.....	.....
Commodity assistance program .....	.....	.....	168,000,000	.....	
Total, The emergency food assistance program	65,000,000	40,000,000	168,000,000	40,000,000		
Nutrition Initiatives:						
Nutrition support .....	.....	45,526,000	.....	.....
Nutrition promotion .....	.....	4,218,000	.....	.....
Food program administration	106,465,000	141,360,000	108,323,000	107,215,000		
Total, Food and Consumer Service	40,249,269,000	42,090,314,000	39,271,382,000	40,270,710,000		
Total, title IV, Domestic Food Programs	40,249,809,000	42,090,867,000	39,271,822,000	40,271,250,000		
TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS						
Foreign Agricultural Service, direct appropriation	108,880,000	120,201,000	114,547,000	115,802,000		
(Transfer from Commodity Credit Corporation)	(4,914,000)	(5,176,000)	(5,176,000)	(5,176,000)		
(Transfer from export loans)	(2,792,000)	(3,137,000)	(2,792,000)	(2,792,000)		
(Transfer from Public Law 480)	(1,425,000)	(1,005,000)	(1,005,000)	(1,005,000)		
Total, Program level	(118,011,000)	(129,519,000)	(123,520,000)	(124,775,000)		
Senate Committee recommendation compared with (+ or -)						
				1995 appropriation	Budget estimate	House allowance
				+ 32,846,000	-12,639,000	+1,000,000
				+ 1,250,000	+1,250,000
				+ 34,096,000	-12,639,000	+ 2,250,000
				+ 40,000,000
				+ 34,096,000	-12,639,000	+ 42,250,000
				+ 40,000,000
				- 25,000,000
				- 168,000,000
				- 25,000,000	- 128,000,000
			
			
				+ 750,000	-34,145,000	-1,108,000
				+ 21,441,000	-1,819,604,000	+ 999,328,000
				+ 21,441,000	-1,819,617,000	+ 999,428,000
				+ 6,922,000	- 4,399,000	+ 1,255,000
				(+ 262,000)
				(- 345,000)
				(- 420,000)
				(+ 6,764,000)	(- 4,744,000)	(+ 1,255,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1996—Continued

Item	Senate Committee recommendation compared with (+ or -)		
	1995 appropriation	Budget estimate	House allowance
(By transfer)	(9,131,000)	(9,318,000)	(8,973,000)
			(- 158,000)
			(- 345,000)
TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION			
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Food and Drug Administration			
Salaries and expenses, direct appropriation	819,971,000	828,999,000	819,971,000
Prescription drug user fee act	(79,423,000)	(84,723,000)	(84,723,000)
Mammography clinics user fee	(6,500,000)	(13,000,000)	(13,000,000)
New user fees		(38,740,000)	
			(- 38,740,000)
Total, Program level	(905,894,000)	(965,462,000)	(917,694,000)
Buildings and facilities	18,150,000	8,350,000	15,350,000
Rental payments	46,294,000	46,294,000	46,294,000
			(- 9,800,000)
			(- 47,688,000)
			- 7,000,000
Total, Food and Drug Administration	884,415,000	883,643,000	874,615,000
			- 9,028,000
			- 7,000,000
DEPARTMENT OF THE TREASURY			
Financial Management Service: Payments to the farm credit system financial assistance corporation	57,026,000	15,453,000	15,453,000
			- 41,573,000
INDEPENDENT AGENCIES			
Commodity Futures Trading Commission	49,144,000	59,711,000	54,058,000
Farm Credit Administration (limitation on administrative expenses)	(40,420,000)	(39,900,000)	
			(- 40,420,000)
			(- 39,900,000)
			- 5,653,000
			+ 4,914,000
			+ 4,914,000
Total, title VI, Related Agencies and Food and Drug Administration	990,585,000	958,807,000	944,126,000
(Limitation on administrative expenses)	(40,420,000)	(39,900,000)	
			(- 40,420,000)
			(- 39,900,000)
			- 14,681,000
			- 2,086,000

Grand total:	68,944,300,000	66,421,993,000	62,579,232,000	63,782,150,000	- 5,162,150,000	- 2,639,843,000	+ 1,202,918,000
New budget (obligational) authority	(641,067,000)	(695,190,000)	(666,348,000)	(646,363,000)	(+ 5,296,000)	(- 48,827,000)	(- 19,985,000)
(By transfer)	(14,567,726,000)	(13,311,834,000)	(13,356,699,000)	(13,286,133,000)	(- 1,281,593,000)	(- 25,701,000)	(- 70,566,000)
(Loan authorization)	(146,320,000)	(146,145,000)	(106,245,000)	(106,245,000)	(- 40,075,000)	(- 39,900,000)	.....
(Limitation on administrative expenses) ..	(187,865,000)	(14,091,000)	(187,865,000)	(187,865,000)	.....	(+ 173,774,000)	.....
(Limitation on obligations)							
RECAPITULATION							
Title I—Agricultural programs	21,026,597,000	16,151,090,000	15,894,087,000	16,076,006,000	- 4,950,591,000	- 75,084,000	+ 181,919,000
Title II—Conservation programs	2,645,871,000	3,003,759,000	2,847,448,000	2,695,646,000	+ 49,775,000	- 308,113,000	- 151,802,000
Title III—Farmers Home and Rural development programs	2,318,619,000	2,721,974,000	1,993,376,000	2,167,580,000	- 151,039,000	- 554,394,000	+ 174,204,000
Title IV—Domestic food programs	40,249,809,000	42,090,867,000	39,271,822,000	40,271,250,000	+ 21,441,000	- 1,819,617,000	+ 999,428,000
Title V—Foreign assistance and related programs	1,712,819,000	1,495,496,000	1,626,287,000	1,627,542,000	- 85,277,000	+ 132,046,000	+ 1,255,000
Title VI—Related agencies and Food and Drug Administration	990,585,000	958,807,000	946,212,000	944,126,000	- 46,459,000	- 14,681,000	- 2,086,000
Total, new budget (obligational) authority	68,944,300,000	66,421,993,000	62,579,232,000	63,782,150,000	- 5,162,150,000	- 2,639,843,000	+ 1,202,918,000

¹ Such sums as available from AQI user fee account for fiscal year 1996.

² In addition to appropriation.

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