

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG
ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2019

MAY 24, 2018.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

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

R E P O R T

together with

MINORITY AND ADDITIONAL VIEWS

[To accompany H.R. 5961]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for fiscal year 2019.

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OVERVIEW

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee has jurisdiction over the U.S. Department of Agriculture (USDA), except for the Forest Service, the Food and Drug Administration (FDA), the Commodity Futures Trading Commission (CFTC), and the Farm Credit Administration (FCA). The Subcommittee's responsibility covers a vast and diverse group of agencies responsible for such things as promoting

the production of a plentiful food supply; assisting farmers and ranchers across the country with sound production practices; improving the quality of life and vitality of communities in rural America; assisting indigent populations in the U.S. and abroad with basic nutritional needs; research and development in agriculture to improve productivity and stability; overseeing commodity markets that provide confidence for businesses, traders, investors, and the public; supporting a safe food supply; and safe and effective drugs and medical devices. The activities of these agencies impact every American every day of the year.

The fiscal year 2019 discretionary spending in this bill totals \$23,273,000,000, which is \$14,000,000 above the fiscal year 2018 enacted level and \$6,238,830,000 above the President's budget request for fiscal year 2019.

The funding levels provided in this appropriations bill continue to demonstrate how seriously this Committee takes its responsibility to fund the highest priority programs and activities while helping to address the nation's debt, deficit, and economic challenges.

OVERSIGHT AND HEARINGS

Consistent with the Committee on Appropriations Oversight Plan, as approved and transmitted to the Committee on Oversight and Government Reform and the Committee on House Administration at the beginning of the 115th Congress, the Subcommittee began the fiscal year 2019 process committed to maintaining the Committee's focus on comprehensive oversight of federal discretionary spending under the Subcommittee's jurisdiction. In order to thoroughly review the President's budget request for fiscal year 2019 and examine how funds appropriated in previous years had been managed, the Subcommittee held five hearings for the agencies and programs of the USDA, the FDA, and the CFTC. The hearings included:

- Commodity Futures Trading Commission—March 7, 2018
- USDA Inspector General—March 15, 2018
- Food and Drug Administration—April 17, 2018
- Secretary of Agriculture—April 18, 2018
- Member Day—April 25, 2018

As stewards of the taxpayer's dollar, the Subcommittee is responsible for ensuring that the funds under its jurisdiction are wisely invested and properly used. As such, the Subcommittee established four objectives to guide its hearings, oversight activities, and the development of its bill and report recommendations for fiscal year 2019. These objectives include bolstering prosperity and economic well-being in rural America and the farm economy; conducting fair and transparent oversight of agency activities and public resources; promoting economic growth through effective and efficient regulation and minimization of regulatory overreach; and protecting the health and safety of people, plants, and animals.

Through its oversight activities, the Subcommittee can improve the management of agencies and programs by identifying and reducing waste, fraud, and abuse. It is joined in this effort by USDA's Inspector General, CFTC's Inspector General, and the Inspector General's Office of the Department of Health and Human Services. During the hearing with USDA's Office of the Inspector General

(OIG), the Subcommittee focused on USDA financial statements, improper payments, and how well USDA’s agencies are managing their programs.

The Subcommittee questioned the Secretary of Agriculture about spending reductions included in USDA’s budget request that are proposed for some of USDA’s most popular and successful programs, such as Rural Development loan and grant programs and food aid programs. The Subcommittee also highlighted recent rural infrastructure investments in the FY18 Consolidated Appropriation Act and the implementation of disaster programs in the supplemental appropriation package following the 2017 hurricanes and wildfires.

When the Subcommittee heard from the FDA, it discussed the historic increases in the agency’s appropriations and the significant increases in the President’s FY 2019 budget request. The Subcommittee also discussed recent regulatory changes affecting the food, drug, healthcare, and tobacco industries. The FDA regulates over 20 percent of every consumer dollar spent on products in the U.S., and so the Subcommittee reminded the FDA to be aware of the comprehensive economic impact of their regulatory decisions.

While examining CFTC’s budget request, the Subcommittee discussed the requested funding level of \$281,500,000, which includes a \$31,500,000 user fee proposal that was submitted without legislative text. The Subcommittee reviewed the size of the swaps market and how this affects measures of systemic risk. Finally, the Subcommittee continued its oversight into policy issues including a discussion about inter-affiliate swap transactions.

Because the Subcommittee knows that it cannot fulfill all requests for funding, it focuses on those areas that are most effective, broadly supported, and capable of delivering positive outcomes and a substantial return on investment. The Subcommittee will monitor the issues identified by its constituents and other stakeholders, those issues discussed at the hearings, and other high priority matters relevant to the management of USDA, FDA, CFTC, and FCA. The Subcommittee will maintain its oversight efforts throughout the 115th Congress to ensure taxpayer dollars are wisely and prudently used on behalf of the American people.

In this report, the term “the Committees” refers to the Committees on Appropriations of the House of Representatives and the Senate.

TITLE I

AGRICULTURAL PROGRAMS

PROCESSING, RESEARCH AND MARKETING

OFFICE OF THE SECRETARY

(INCLUDING TRANSFERS OF FUNDS)

2018 appropriation	\$46,532,000
2019 budget estimate	42,498,000
Provided in the bill	39,287,000
Comparison:	
2018 appropriation	–7,245,000
2019 budget estimate	–3,211,000

The following table reflects the amount provided by the Committee for each office and activity:

	FY 2018 enacted	FY 2019 estimate	Committee provision
Office of the Secretary	\$5,051	\$4,850	\$5,051
Assistant to the Secretary for Rural Development	800	800	800
Office of Homeland Security	1,496	1,448	1,496
Office of Partnerships and Public Engagement	4,711	1,672	4,711
Office of the Assistant Secretary for Administration	804	875	875
Departmental Administration	22,301	22,501	16,301
Office of the Assistant Secretary for Congressional Relations	3,869	3,091	3,750
Office of Communications	7,500	7,261	6,303
Total, Office of the Secretary	\$46,532	\$42,498	\$39,287

COMMITTEE PROVISIONS

For the Office of the Secretary, the Committee provides an appropriation of \$39,287,000. The Committee recommendation includes the following offices under the Office of the Secretary: immediate Office of the Secretary; Assistant to the Secretary for Rural Development; Office of Homeland Security; Office of Partnerships and Public Engagement; Office of the Assistant Secretary for Administration; Departmental Administration; Office of the Assistant Secretary for Congressional Relations; and Office of Communications.

Pay Cost.—The Committee does not include funding for a civilian pay increase across the Department. Should the President provide a civilian pay increase for fiscal year 2019, it is assumed that the cost of such a pay increase will be absorbed within existing appropriations for fiscal year 2019.

Behavioral Health.—The most recent report from the Centers for Disease Control and Prevention found rates of suicide among farmers are the highest of any occupation in the United States. Our farmers and individuals working in agriculture feed and sustain the world. The Committee encourages the USDA to provide a report to Congress regarding actions the Department has taken to address high rates of suicide among farmers. Further, the Committee encourages USDA to work in partnership with HHS to train employees at the National Suicide Prevention Lifeline to address farmer-specific mental health care to those working in agriculture who call into the Lifeline.

Commodity Credit Corporation (CCC) Obligations and Commitments.—The Secretary is directed to notify the Committees in writing 15 days prior to the obligation or commitment of any emergency funds from the CCC.

CCC Report.—The Committee directs the Secretary to provide a report on November 15, 2018, and May 17, 2019, on planned uses of funding under the authorities of Section 4 and Section 11 of the CCC Charter Act.

Crop Biotechnology & Biotech Ingredients.—Public and private sector scientists knowledgeable in genetic engineering, toxicology, chemistry, nutrition, and other scientific areas have carefully evaluated and assessed the safety of genetically engineered plants, food, and food ingredients and have determined that such products are safe for human and animal consumption. The Committee directs USDA to continue coordination efforts with the FDA to pro-

vide education and outreach to the public on the safety and benefits of crop biotechnology and food and animal feed ingredients derived from biotechnology.

Data Analytics.—The Department’s ability to manage and modernize information technology systems will allow USDA to more effectively and efficiently serve its customers and employees. Integrating data and sharing a common data and IT platform will enable the Department to provide more timely and accurate information to customers, citizens, and employees. Therefore, the Committee encourages the Department to leverage existing analytics infrastructure which will enable data-driven strategic decisions and improved customer experiences.

Disaster Assistance Flexibility.—In fiscal years 2017 and 2018, the Committee provided the Secretary with significant flexibility to provide assistance to producers suffering crop losses. The Committee notes that significant losses have occurred for blueberries, peaches, and dairy producers in calendar year 2017. The Committee encourages the Secretary to engage directly with stakeholders to resolve these issues.

Nutrition Research Coordination.—The Committee seeks to bring more transparency and coordination to nutrition research and evaluation projects conducted by the Department. The Secretary is directed to ensure both the Research, Education, and Economics (REE) and the Food, Nutrition, and Consumer Services (FNCS) mission areas coordinate and finalize the Food and Nutrition Service (FNS) Research and Evaluation Plan submitted in fiscal year 2019 to prevent duplication of efforts and resources. The plan submitted for fiscal year 2019 shall include a brief description of the projects FNS expects to pursue and whether or not it was mandated by law.

Section 737 of the bill states that FNS shall not receive any funding for new research and evaluation projects in fiscal year 2019 until the Committees on Appropriations receive the fiscal year 2019 Research and Evaluation Plan that has been developed in coordination with REE. In submitting the fiscal year 2020 budget justification, FNS is directed to provide its Research and Evaluation Plan simultaneously with its budget request. There is an expectation that this process will be followed in the future.

Congressional Relations Allocation Notification.—Within 30 days of the enactment of this Act, the Secretary shall notify the Committees on the allocation of the funds provided to the Assistant Secretary for Congressional Relations by USDA agency, along with an explanation for the agency-by-agency distribution of the funds.

Administrative Provision.—The Committee directs the Secretary to advise the Committees, through the Office of Budget and Program Analysis (OBPA), of the status of all reports requested of the Department in this bill at the time of submission of the fiscal year 2020 budget request and monthly thereafter. All correspondence related to the directives in this bill must be addressed to the Committees.

Status of House and Senate Report Language.—USDA is directed to include a status of all House and Senate Agriculture Appropriations Report language in its fiscal year 2020 Explanatory Notes in the same form and type of response as that provided by the Food

and Drug Administration within their 2019 Congressional Justification.

Loan and Grant Programs.—The Committee directs the Department, through OBPA, to provide quarterly reports to the Committees on the status of obligations and funds availability for the loan and grant programs provided in this bill.

The Committee further directs that if an estimate of loan activity for any program funded in Titles II and III of this bill indicates that a limitation on authority to make commitments for a fiscal year will be reached before the end of that fiscal year, or in any event when 75 percent of the authority to make commitments has been utilized, the Secretary shall promptly notify the Committees through OBPA.

Communication from USDA.—Members of the Committee must be informed of the activities, pending and proposed actions, and expenditures made by USDA and its respective agencies so that Congress can determine whether laws and programs are being implemented and carried out in accordance with the intent of Congress. A collaborative working relationship between the Committee and the agencies is necessary to ensure efficient and effective implementation of Congress' funding decisions. USDA is directed to ensure that the Committee is notified of major changes to existing policies and any significant developments in its operations prior to providing non-governmental stakeholders such information.

Design-Build.—The Committee encourages the Department to use the design-build method of project delivery when appropriate.

Flexibility in Loan and Loan Guarantee Levels.—The bill includes language to exceed by up to 25 percent the limitation on loan and loan guarantee levels without budget authority upon written notification to the Committees on Appropriations.

Rural Poverty.—The Department has statutory authorities and programs designed to help break the multi-generational trap of poverty in rural counties. The Committee recognizes that USDA may utilize existing programs and funding within RD and FNS in order to assist families, create jobs, and develop a path towards independence and self-sufficiency. Other existing resources such as the extension service and public universities can be used for coordination and outreach activities. As of May 2018, the Committee has not received the detailed plan required to be submitted by the Secretary which would detail all funding resources and bundled services to combat rural poverty.

Seniors Farmers' Market Nutrition Program.—The Committee encourages USDA to improve eligible participants' awareness of the Seniors Farmers' Market Nutrition Program through education and outreach efforts.

Urban Agriculture, Vertical Farming, Aquaponics, and Non-Traditional Agriculture.—The Committee acknowledges the need for an expanded USDA role in support of the emerging industries of vertical farming, urban agriculture, aquaponics, and alternative forms of agriculture in American cities and surrounding communities. Support from the Department is needed for producers who often have different needs than traditional agricultural producers. These non-traditional methods of agricultural production have the potential to reduce the use of water and pesticides, improve yields for particular crops, serve lower income populations, and provide

year round crops at the local level. USDA should consider intramural and extramural research where the Department and its stakeholders can work towards advancing technologies in this field. Therefore, the Committee directs USDA to evaluate current needs in this field, compare the needs with current or planned activities, and deliver a report within 60 days of enactment of this Act explaining how to further advance urban agriculture, vertical farming, aquaponics and other forms of non-traditional agriculture.

Agroterrorism.—The United States enjoys a safe, plentiful, and inexpensive food supply. The Committee views domestic food production as a priority for national security. The Committee is concerned with the growing threats posed by agroterrorism, which is the deliberate introduction of an animal or plant disease for the purpose of generating fear, causing economic losses, or undermining social stability. The dangers to our food production posed from foreign terrorist organizations are real. The Committee directs the Secretary to explore the Department’s laboratory and response capacity to address the reality of agroterrorism, and how national response plans can better incorporate agroterrorism. The Committee encourages the Secretary to coordinate with DHS, HHS, intelligence agencies, Interior, EPA, and other agencies to improve response plans, conduct vulnerability assessments, and expand monitoring and surveillance for agroterrorism. The Committee also encourages the Secretary to focus on bolstering tracking systems for agricultural products, laboratory networks, and border inspection training.

Native American Foods.—Native American tribes suffer among the highest rates of diabetes in the United States. Traditional Native American diets have been shown to be culturally relevant and protective against metabolic diseases such as diabetes. The Food Distribution Program on Indian Reservations (FDPIR) has increased the variety of traditional foods offered in the program. The Committee directs USDA to develop programs in conjunction with Indian Tribal Organizations to restore food ecosystems and revive traditional foods based on dietary preferences of Native American populations. USDA shall continue to collaborate with FDPIR agencies on recommendations for food package changes, with the goal of further increasing the amount and variety of traditional and locally or regionally grown food items offered through the program.

Native Plant Use Preference.—In undertaking a land management activity on Federal lands under the jurisdiction of the USDA, including maintenance and restoration in response to degradation caused by human activity or natural events (such as fire, flood, or infestation), the Committee directs that it be the policy of the USDA that preference shall be made to the extent practicable for the use of locally adapted native plant materials.

Pilot Programs.—USDA implements numerous pilot programs, some of which have long surpassed the intended length of operation. When creating a pilot program, the intent is to test a new program for a specific amount of time and then determine whether or not the pilot has achieved the desired outcome. Those pilots with merit should be considered for broader implementation, and those without should end. The Secretary is directed to provide a report to the Committees and make it publicly available on the Department’s website detailing the number and type of pilot programs

currently active within each agency during fiscal year 2018, how long each pilot has been operational, and a recommendation on which pilots have proven successful and which have not.

National Finance Center (NFC).—The Committee awaits the submission of the cost-benefit analysis related to NFC as directed by P.L. 115–141.

Rural Broadband.—The Committee understands and supports the significant interest and need of providing access to high-speed broadband infrastructure and services to rural portions of the United States. The Committee will continue to provide resources for broadband deployment, however it is important for Departments to avoid efforts that could duplicate existing networks built by private investment or those built leveraging and utilizing other federal programs. While it is current RUS policy to avoid duplication when financing communication infrastructure, the Committee recognizes that there are other federal programs that share similar broadband deployment expertise. In order to ensure that continued federal broadband investments are used as efficiently as possible, the Committee directs the Secretary of Agriculture to coordinate with the Federal Communications Commission (FCC) and the National Telecommunications Information Administration (NTIA) to ensure wherever possible that broadband loans and grants issued under the pilot program are being targeted to areas that are currently unserved. In particular, the Committee directs USDA to utilize the NTIA’s assessment of the current state of broadband access nationwide, which includes the identification of existing infrastructure, gaps, and opportunities for more efficient deployment. In implementing a strategy for broadband deployment to unserved communities, the Committee directs the Department to explore utilizing all technologies, including but not limited to, fiber, cable modem, fixed wireless, and television white space as a means of building sustainable rural infrastructure for the modern economy. The Bill includes funding for broadband deployment through the Broadband Loan program, Community Connect grant program, Distance Learning and Telemedicine program and an additional \$550,000,000 for a broadband pilot program.

Veteran and Socially Disadvantaged Farmers and Ranchers.—In addition to \$10,000,000 in mandatory funding available to assist socially disadvantaged and veteran farmers and ranchers, the Bill includes an additional \$3,000,000 in discretionary funding for these activities.

Performance Measures.—The Committee directs USDA agencies funded by this Act to comply with title 31 of the United States Code, including the development of their organizational priority goals and outcomes such as performance outcome measures, output measures, efficiency measures, and customer service measures.

Food Waste.—The Committee urges the Department of Agriculture in collaboration with other Federal agencies, including the Environmental Protection Agency and the Food and Drug Administration, to raise consumer awareness surrounding food waste. In the event that a Food Loss and Waste Reduction Liaison is established, the Committee encourages USDA to fund the position to support and promote Federal programs to measure and reduce the incidence of food loss and waste and increase food recovery.

Alleviation of H-2A program regulatory burdens.—In order to reduce the burden to employers of communicating across multiple agencies with disparate processes and overlapping missions, the Committee directs the Secretary of Agriculture, in consultation with the Secretary of Labor, Director of United States Citizenship and Immigration Services, and Secretary of State, and in cooperation with U.S. Digital Services, to oversee the establishment and operation of a cloud-based, online platform through which agricultural employers will complete the H-2A petition and certification process. Such a platform shall handle employer input of all information required for the processing and adjudication of an H-2A petition and the certification process; provide secure, authenticated, and authorized agency analyst interactions; and provide transparency throughout the process to employers regarding the status of their petitions.

EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

2018 appropriation	\$19,786,000
2019 budget estimate	19,487,000
Provided in the bill	21,286,000
Comparison:	
2018 appropriation	+1,500,000
2019 budget estimate	+1,799,000

COMMITTEE PROVISIONS

For the Office of the Chief Economist (OCE), the Committee provides an appropriation of \$21,286,000.

Trade Support.—The Committee provides an increase of \$500,000 for economic and policy analysis in support of key U.S. multilateral and bilateral trade initiatives.

Drought Resilience.—The Committee is concerned about the extent and severity of the drought in the U.S. and recognizes the importance of understanding and being prepared for drought. The Committee encourages the OCE to continue research and work with partners on drought resilience efforts to better address the serious threat posed by drought in the U.S.

Policy Research.—The Committee includes \$5,000,000, an increase of \$1,000,000, for policy research under 7 U.S.C. 3155 for entities with existing institutional capacity, including staff, databases, models, and long-term, well-documented experience, to conduct complex economic and baseline analysis for the benefit of USDA, the Congressional Budget Office, and the Congress.

Office of Pest Management Policy.—The Committee commends the Office of Pest Management Policy for its work providing the Department, federal agencies, producers, and other interested stakeholders scientifically sound analysis of pest management issues important to agriculture, especially methyl bromide transition, pesticide resistance management, and the development of antimicrobials to combat citrus greening.

OFFICE OF HEARINGS AND APPEALS

2018 appropriation	\$15,222,000
2019 budget estimate	14,183,000
Provided in the bill	14,972,000
Comparison:	
2018 appropriation	- 250,000
2019 budget estimate	+789,000

COMMITTEE PROVISIONS

For the Office of Hearings and Appeals, the Committee provides an appropriation of \$14,972,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

2018 appropriation	\$9,525,000
2019 budget estimate	8,631,000
Provided in the bill	9,525,000
Comparison:	
2018 appropriation	- - -
2019 budget estimate	+894,000

COMMITTEE PROVISIONS

For the Office of Budget and Program Analysis, the Committee provides an appropriation of \$9,525,000.

OFFICE OF THE CHIEF INFORMATION OFFICER

2018 appropriation	\$58,950,000
2019 budget estimate	62,524,000
Provided in the bill	58,950,000
Comparison:	
2018 appropriation	- - -
2019 budget estimate	-3,574,000

COMMITTEE PROVISIONS

For the Office of the Chief Information Officer (CIO), the Committee provides an appropriation of \$58,950,000. This includes \$33,000,000 for cybersecurity activities, including support of the Continuous Diagnostics and Mitigation program.

IT Purchases and Oversight.—The Committee directs the CIO to comply with the spirit and letter of the Federal Information Technology Acquisition Reform Act and incorporate its principles into future planning and current oversight of IT activities across the Department and the performance plan required in H. Rpt. 113-468.

Micro-Segmentation of Networks.—The Committee recognizes that the use of digital workspace technologies can increase user productivity, enhance cybersecurity, and allow workforce flexibility. The Committee encourages the Department to explore a broad ecosystem support of multi-factor authentication solutions to strengthen the Department’s cybersecurity posture. This should include strategies and programs that reduce the total life cycle costs of traditional legacy workspace infrastructure.

OFFICE OF THE CHIEF FINANCIAL OFFICER

2018 appropriation	\$6,028,000
2019 budget estimate	5,536,000
Provided in the bill	5,741,000
Comparison:	
2018 appropriation	- 287,000
2019 budget estimate	+205,000

COMMITTEE PROVISIONS

For the Office of the Chief Financial Officer (CFO), the Committee provides an appropriation of \$5,741,000.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

2018 appropriation	\$901,000
2019 budget estimate	800,000
Provided in the bill	901,000
Comparison:	
2018 appropriation	- - -
2019 budget estimate	+101,000

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Civil Rights, the Committee provides an appropriation of \$901,000.

OFFICE OF CIVIL RIGHTS

2018 appropriation	\$24,206,000
2019 budget estimate	22,345,000
Provided in the bill	24,206,000
Comparison:	
2018 appropriation	- - -
2019 budget estimate	+1,861,000

COMMITTEE PROVISIONS

For the Office of Civil Rights, the Committee provides an appropriation of \$24,206,000.

AGRICULTURE BUILDINGS AND FACILITIES

(INCLUDING TRANSFERS OF FUNDS)

2018 appropriation	\$64,414,000
2019 budget estimate	58,330,000
Provided in the bill	62,250,000
Comparison:	
2018 appropriation	- 2,164,000
2019 budget estimate	+3,920,000

COMMITTEE PROVISIONS

For Agriculture Buildings and Facilities, the Committee provides an appropriation of \$62,250,000.

HAZARDOUS MATERIALS MANAGEMENT
(INCLUDING TRANSFERS OF FUNDS)

2018 appropriation	\$3,503,000
2019 budget estimate	3,463,000
Provided in the bill	3,503,000
Comparison:	
2018 appropriation	---
2019 budget estimate	+40,000

COMMITTEE PROVISIONS

For Hazardous Materials Management, the Committee provides an appropriation of \$3,503,000.

OFFICE OF INSPECTOR GENERAL

2018 appropriation	\$98,208,000
2019 budget estimate	87,436,000
Provided in the bill	98,208,000
Comparison:	
2018 appropriation	---
2019 budget estimate	+10,772,000

COMMITTEE PROVISIONS

For the Office of Inspector General, the Committee provides an appropriation of \$98,208,000. This amount does not include funding for staff buyouts or reductions in investigations and audits.

OFFICE OF THE GENERAL COUNSEL

2018 appropriation	\$44,546,000
2019 budget estimate	41,717,000
Provided in the bill	44,846,000
Comparison:	
2018 appropriation	+300,000
2019 budget estimate	+3,129,000

COMMITTEE PROVISIONS

For the Office of the General Counsel, the Committee provides an appropriation of \$44,846,000.

International Trade Agreements.—The Committee recognizes the significant increase in demand for the OGC’s services in international trade agreements. The Committee directs USDA to add additional support to OGC in current and future international trade activities.

OFFICE OF ETHICS

2018 appropriation	\$4,136,000
2019 budget estimate	2,897,000
Provided in the bill	4,136,000
Comparison:	
2018 appropriation	---
2019 budget estimate	+1,239,000

COMMITTEE PROVISIONS

For the Office of Ethics, the Committee provides an appropriation of \$4,136,000.

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

2018 appropriation	\$800,000
2019 budget estimate	800,000
Provided in the bill	800,000
Comparison:	
2018 appropriation	---
2019 budget estimate	---

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Research, Education, and Economics, the Committee provides an appropriation of \$800,000.

Coffee Plant Health.—The Committee appreciates ARS and NIFA’s work to address existing and emerging challenges to coffee production in the United States and commends the agency’s work with research partners and coffee grower groups. The Committee encourages ARS, NIFA, and its partners to maintain support for coffee plant health research.

Food Safety and Defense Technology Research.—The Committee remains concerned that global competition and the demand for increased productivity, efficiency, and profitability could put food safety and security at risk. The ability to rapidly, accurately, and cost effectively detect pathogens or contaminants in the food supply chain is critical to protecting the United States from food-borne illnesses and exploitation. The Committee directs USDA to invest in the research and development of novel bio-detection technologies and the implementation of mobile bio-detection platforms. The Department should consider technologies currently in use or under development in other fields, such as medicine or homeland security, to determine whether the technology can meet the needs in high volume food production or mobile food defense monitoring.

Fusarium Mycotoxins.—The Committee recognizes that *Fusarium mycotoxins* are harmful to several components of the poultry industry, negatively affect catfish, horses, and swine, and are toxic to humans. Due to the endophytic habit of *Fusarium verticillioides*, it is also prevalent in corn and wheat, which are major ingredients in animal feed. Therefore, the Committee urges USDA to support research programs studying the endophytic habits and genetic variability of *Fusarium mycotoxins* to develop an intervention plan to prevent harm to humans and animals.

Leveraging Plant Genome Information.—The Committee recognizes the potential impact that variable weather, environments, and production systems can have on the yield and quantity of maize and the need for greater prediction of plant performance under variable growing conditions. The Committee encourages USDA to support research that leverages plant genomic information with phenotypic and environmental data through an interdisciplinary framework, resulting in an understanding of plant processes that affect productivity and the ability to predict plant performance.

Pollinators and Colony Health Research.—The Committee recognizes that Colony Collapse Disorder and related colony health issues are a significant concern to beekeepers, honey producers, farmers, researchers, policymakers, and the public. It appreciates

USDA’s logical, scientifically based approach to studying these issues and directs the Department to continue to focus on the challenges facing pollinators.

Potato Research.—The Committee supports research efforts to combat crop-threatening pest and disease pressures, including the potato cyst nematode. The Committee also recognizes the importance of research initiatives to identify and improve desired traits for new potato varieties and directs the Department to continue working with universities, industry and potato growers on these projects.

Poultry Technology Research.—The Committee understands that the U.S. poultry industry is the most efficient in the world. However, with expected global growth in demand and competition, technological advances in broiler production are critical to increasing production and profitability. The Committee supports cooperative research that contributes to increased efficiencies in housing, equipment, energy and environmental controls tailored to meet the long-term needs of the industry.

Screening Technologies.—The Committee encourages the development of technologies that will provide rapid, portable, and facile screening of food fish species at port sites and wholesale and retail centers.

Vector Control.—The Committee encourages USDA to support research, including the work done through the Biotechnology Risk Assessment Research Grants program, to develop innovative vector control technologies targeted to combatting Zika-carrying *Aedes aegypti* mosquitos. The Committee is aware that vaccine development takes time, pesticide use has a variety of limitations, and human health effects and treatment will be a challenge for years to come. Therefore, the Committee urges USDA to utilize pest management programs and partner organizations to conduct research to develop and test effective repellents, create new molecular pesticide technologies that prevent mosquitoes from reproducing, and explore natural product remedies to deter pests.

ECONOMIC RESEARCH SERVICE

2018 appropriation	\$86,757,000
2019 budget estimate	45,000,000
Provided in the bill	86,757,000
Comparison:	
2018 appropriation	---
2019 budget estimate	+41,757,000

COMMITTEE PROVISIONS

For the Economic Research Service (ERS), the Committee provides an appropriation of \$86,757,000. The Committee does not concur with the request to significantly eliminate ERS’ research activities.

Breastfeeding.—The Committee awaits ERS’ update to its 2001 Jon Weimer study of the economic benefits of breastfeeding.

Evidence-Based Policymaking.—As part of the bipartisan effort to improve government capacity for evidence-based policymaking, the Committee encourages ERS to explore ways to assist rural communities in using data and evidence to address local challenges. In particular, ERS should examine ways in which local governments

in rural communities could access the research and data expertise of public land-grant universities to help communities address local needs and priorities.

NATIONAL AGRICULTURAL STATISTICS SERVICE

2018 appropriation	\$191,717,000
2019 budget estimate	165,000,000
Provided in the bill	173,717,000
Comparison:	
2018 appropriation	- 18,000,000
2019 budget estimate	+8,717,000

COMMITTEE PROVISIONS

For the National Agricultural Statistics Service (NASS), the Committee provides an appropriation of \$173,717,000, of which \$45,350,000 is for the Census of Agriculture.

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

2018 appropriation	\$1,202,766,000
2019 budget estimate	1,018,991,000
Provided in the bill	1,259,916,000
Comparison:	
2018 appropriation	+57,150,000
2019 budget estimate	+240,925,000

COMMITTEE PROVISIONS

For Salaries and Expenses of the Agricultural Research Service (ARS), the Committee provides an appropriation of \$1,259,916,000.

While the Committee does not concur with all of the proposed decreases for fiscal year 2019, the Committee encourages ARS to reallocate resources for research that have been determined by the ARS as mature or where research objectives have been accomplished to other high priority research areas. The Committee does not concur with the budget request regarding the termination of extramural research.

Agricultural Research Facilities.—The Committee does not concur with the proposed closure of 20 research facilities in the budget request and is concerned about the continued trend towards reductions in on-the-ground agricultural research through proposed cut-backs and consolidations without a clear plan to ensure that research reflects local needs and growing conditions.

National Bio and Agro Defense Facility (NBAF).—The Committee provides resources for planning and start-up costs associated with the preparation for the transition of NBAF from the Department of Homeland Security (DHS) to the Department of Agriculture. While the Committee concurs that NBAF activities more closely align with the USDA mission area, there remain concerns on the projected operational and maintenance costs and research funding needs associated with the NBAF facility. The Committee expects ARS to responsibly plan for the facility operations and under no circumstance enable the transition of NBAF to undermine ARS' ability to fully address its mission and leave the four national program areas (nutrition, food safety and quality; animal production and protection; crop production and protection; and natural re-

sources and sustainable agricultural systems) vulnerable to potential funding reductions due to the funding needs of NBAF. The Committee directs ARS to continue supporting the four national program research areas towards developing solutions to agricultural problems of the highest national priority. The Committee directs ARS, in collaboration with other USDA agencies and in consultation with the DHS, to report to Congress within 120 days of enactment with an estimate of the funding needed for each of fiscal years 2019–2023 to support: operational costs and maintenance; workforce needs and recruitment efforts; equipment; and research start-up costs. The report should also include strategic research goals based on NBAF's enhanced capabilities and plans for stakeholder engagement. The Committee strongly encourages USDA to explore cost-effective mechanisms for public-private partnerships with the academic research community and industry that will leverage federal investments in NBAF.

Animal Research.—The Committee continues to request updates related to ongoing APHIS inspections and any findings at ARS research facilities conducting animal research.

Aerial Application Research.—The Committee recognizes the importance of the ARS Aerial Application Technology Program. The program conducts innovative research making aerial applications more efficient, effective, and precise. Research for aerial application serves the public good as a vital tool for the future, as agriculture strives to meet the food, fiber, and bio-energy demands of a growing population.

Alfalfa Research.—The Committee supports research into alfalfa seed and forage systems, which hold the potential to maximize crop yields, increase milk production, and improve genetics.

ARS Field Stations.—The Committee recognizes the successful utilization of authorities granted in previous annual appropriations Acts to further cooperation between industry and the ARS Canal Point, Florida Sugarcane Field Station. However, the Committee is concerned that this partnership is jeopardized by requirements that are outside the scope of the functionality of the facilities. The Committee directs ARS to resolve these issues, thus allowing this model partnership to continue. Additionally, the Committee recognizes Florida's importance as a sentinel state in studying invasive pests and diseases. With new species entering ports every week, it is critical that ARS devote attention to the need for research facilities to study these threats.

Aquaculture Industry Coordination.—Nearly half the seafood consumed across the world is the result of aquaculture, and the aquaculture industry is a critical and growing part of the U.S. economy. However, less than one percent of worldwide production comes from U.S. producers. In January 2016, the National Oceanic and Atmospheric Administration's National Marine Fisheries Services issued a final rule to open the federal waters in the Gulf of Mexico to development of aquaculture. The Committee is concerned that vital seedstock required to implement this initiative will be sourced from foreign aquaculture producers. The Committee encourages the agency to support and protect the U.S. aquaculture industry by working collaboratively with U.S. aquaculture producers and research institutions that specialize in the development of aquaculture technologies.

Aquatic Animal Health.—The Committee supports ARS' work with land-grant universities and other federal partners to develop solutions to aquatic animal pathogens including *Aeromonas* in catfish and viral hemorrhagic septicemia in finfish. ARS is encouraged to collaborate with industry stakeholders on the development of potential vaccines and therapeutants.

Blueberry and Cranberry Research.—The Committee is supportive of the multi-university cranberry and blueberry research programs operated in partnership with the ARS, and provides an additional \$1,000,000 in funding for the purchase of equipment and the hiring of additional scientists to meet research needs in disease prevention, pesticide reduction, and water conservation.

Cereal Rust Research.—The Committee remains concerned about cereal rust diseases and supports research towards developing resistance genes against cereal rust races, including resistance to new cereal rust varieties and identifying when and how new cereal rust races emerge.

Citrus Greening Disease Research.—The Committee commends ARS' research efforts on citrus greening disease and encourages the agency to continue working to develop methods to reduce transmission and enhance immunity in citrus trees and to work with industry, universities, growers, and other partners to develop effective control mechanisms. The Committee also encourages ARS to coordinate its efforts with the Huanglongbing Multi-Agency Coordination (HLB MAC) group.

Co-Location of Researchers.—The Committee encourages ARS to develop a plan to maximize its investments in plant science facilities and research by taking advantage of the synergies and efficiencies realized through the co-location of USDA researchers in state-of-the-art facilities with university and other stakeholders.

Cotton Ginning.—The Committee recognizes the importance of pollution abatement, improving fiber quality, ginning efficiency, cotton seed and other byproducts, and remains committed to expanding research in cotton ginning and innovation by existing laboratories.

Floriculture and Nursery Research Initiative (FNRI).—The Committee values the importance of floral and horticultural industry as floriculture and nursery crops are the third-largest domestic crop in value, outranked only by corn and soybeans. The FNRI is focused on addressing and solving the industry's challenges and needs.

Forest Products Research.—The forest products sector is an important part of the U.S. economy. The Committee supports research on wood quality, forest product evaluation standards and valuation techniques, and ARS' continuing work with the Forest Products Laboratory.

Genetic Oat Research.—The Committee recognizes the potential genetic oat research has to improve disease resistance (especially rusts and viruses), genetics, increase yields, and develop crop rotation systems that include oats, which will enhance the value of oats and provide benefits to producers and consumers. The Committee provides an increase of \$1,000,000 to research oat germplasm, genomics, phenomics, disease resistance, and enhanced yield.

Germplasm Enhancement of Maize.—The Committee supports the germplasm enhancement of maize projects and encourages continued cooperation between ARS and industry.

Greenhouse Technology Research.—The Committee recognizes the importance of advancing greenhouse technology and exploring its capabilities to address the energy and water challenges inherent in four-season production systems, beginning in food insecure communities across the country. The Committee encourages ARS to work with the Department of Energy (DOE) for greenhouse technology research that explores how to integrate ongoing research projects at the various DOE National Labs to develop affordable, deployable, and energy and water-efficient food production platforms for undernourished regions of the country. By working together, ARS' and DOE can bring their respective strengths and resources to designing the most desirable, low-cost, and efficient production system.

High Performance Computing Support.—The Committee provides an additional \$1,250,000 to expand high performance computing capability to address scientific need and requires ARS to continue to collaborate with partners with the technical capacity and scientific synergy to provide cost-effective high performance computing support.

Hops Research.—The Committee recognizes that the U.S. hops industry has experienced unprecedented expansion due to the brewing industry's economic growth over the past decade. To sustain this growth, new varieties of hops are needed to prevent disease and expand production throughout the country. The Committee encourages ARS continued efforts on hops research.

Horticultural Research and Education.—The Committee recognizes the U.S. National Arboretum as a prominent research body staffed with highly skilled and dedicated scientists with a history of scientific discovery in environmental horticulture. The Committee encourages continued support of the Arboretum as its research and academic programs not only work towards developing new approaches in detecting and treating plant disease, but also the ability to connect people with plants in a unique and serene environment that enhances the public understanding of agricultural plant sciences.

Human Nutrition Research.—There is strong evidence that nutrition plays a vital role in how a person ages, particularly its significance for preventative health care and degenerative and age-related diseases. Research is needed to address the needs of the rapidly growing number of older Americans. The Committee encourages ARS to continue research relating to the effect of nutrition on aging.

Livestock Protection.—The Committee recognizes the challenges caused by infectious disease problems arising from wildlife-domestic animal agriculture interactions, particularly between domestic sheep and wild bighorn sheep. Researchers have recently produced an experimental vaccine to protect bighorn populations from disease, but much work is still required. The Committee encourages ARS to pursue work to determine the role of domestic sheep in causing die-offs of bighorn sheep from respiratory disease and develop methods to reduce transmission and enhance immunity in domestic and bighorn sheep.

Long-Term Agro-ecosystem Research.—The Committee provides an additional \$1,000,000 above fiscal year 2018 for the Long-Term Agro-ecosystem Research (LTAR) network.

Lower Mississippi River Basin.—The Committee recognizes the groundwater problems in the Lower Mississippi River Basin and encourages ARS, in collaboration with university research, extension scientists and local stakeholders, to identify gaps in water management research and focus efforts on the development of conservation and irrigation techniques to reduce water usage in agriculture production while maintaining crop quality and yield.

Marine Aquaculture Seedstock.—The Committee is concerned that vital seedstock to support the development of aquaculture in federal waters of the Gulf of Mexico will be sourced from foreign aquaculture producers. Domestic on-land recirculating aquaculture systems and offshore aquaculture are highly capable of producing a steady supply of marine fish seedstock to support new offshore and aquaculture industries. This includes broodstock acquisition and care, spawning, larval culture techniques, and juvenile rearing. The Committee provides \$2,000,000 for the development effort of aquaculture technology that will ensure a steady supply of warm water marine fish seedstock for economic growth of the U.S. aquaculture industry.

National Agricultural Library.—The Committee encourages ARS to maintain a focus on agricultural-related legal issues within the National Agricultural Library. The Committee notes that as the agriculture sector faces increasing financial stress, there is a necessity that agriculture-related legal issues be addressed on an increasingly frequent basis. Further, agriculture-related legal issues are increasingly complex, and the impact of these legal issues continues to broaden in scope. The Committee recommends that the National Agricultural Library play an important role in assisting all stakeholders with understanding these issues.

Porcine Virus Research.—The Committee is aware of ongoing research to identify mechanisms of viral pathogenesis, transmission, and immunity to porcine epidemic diarrhea virus (PEDv) and encourages ARS to continue its efforts to identify the genetic virulence factors of PEDv, identify a protective immune response, including transmission of maternal antibodies through the milk, and evaluate new vaccine platforms for the development of improved PEDv vaccines.

Postharvest Dairy Research.—The Committee recognizes the importance of developing solutions to address agricultural postharvest inefficiencies to conserve limited resources and feed a growing population. The Committee encourages the development of postharvest technologies that decrease waste and improve resource use of protein, fat, and sugar in dairy processing.

Potato Collaborative Research.—The Committee encourages ARS to continue to cooperate with the potato industry in conducting competitive research that responds directly to priorities identified and verified by the potato industry and engages both ARS, university and industry researchers in the research effort.

Pulse Health Initiative.—The Committee is aware of the need to investigate the ability of pulse crops, such as dry beans, dry peas, lentils, and chickpeas, to provide solutions to critical health issues and to improve the sustainability and environmental benefits of

using pulse crops in cropping rotations. The Committee encourages ARS to continue its work on these important issues.

Roseau Cane.—The Committee directs ARS to work with the Animal and Plant Health Inspection Service (APHIS) and stakeholders to develop an integrated management program for control of the scale insect pest infestation that is destroying Roseau cane in the Mississippi River's Delta region along the Gulf of Mexico.

Safe and Abundant Water Supply.—The Committee supports technological development to address key agricultural water resource issues across the U.S. to support agricultural production.

Sage Grouse.—The Committee is aware that listing the greater sage grouse as endangered under the Endangered Species Act has the potential to negatively affect rural communities in the eleven states that have sage brush ecosystems. The Committee encourages ARS to work with its partners on sage brush and related rangeland research that will help preserve the greater sage grouse and the other species that rely on the sage brush ecosystem.

Sclerotinia Initiative.—The Committee is aware of the importance of controlling *Sclerotinia* in sunflowers, soybeans, canola, edible beans, peanuts, peas, lentils, and chickpeas and encourages ARS to continue its support of this initiative.

Small Grain Genomics.—The Committee supports research on small grain genomics to address national genomic and breeding needs for U.S. crops to keep small grains and feed as viable crops and continue their substantial contributions to the agricultural economy.

Sorghum in Agriculture.—The Committee recognizes the growing significance of sorghum in agriculture due to water conservation traits and increased utilization. However, the sugarcane aphid (*Melanaphis sacchari*), a new and devastating invasive pest, is an existential threat to the sorghum industry. Funding is included to pursue research into the discovery of genetically conferred pest resistance, evaluate gene flow and advance the durability and sustainability of fitness traits in sorghum.

U.S. Sheep Experiment Station (USSES).—The Committee recognizes the unique and valuable contributions the USSES makes toward increasing the production efficiency of sheep and improving sustainable rangeland ecosystems. The Committee also recognizes a unique opportunity to expand other research initiatives. The Committee encourages ARS to work with various stakeholders regarding efforts to propose mission improvements for the USSES.

U.S. Wheat and Barley Scab (USWBS).—The Committee recognizes the importance of the research carried out through the ARS USWBS Initiative. *Fusarium* head blight is a major threat to agriculture, inflicting substantial yield and quality losses throughout the U.S.

Wheat Falling Numbers Test Research.—The Committee recognizes the emerging crisis surrounding wheat starch degradation, as detected by the Hagberg-Perten Falling Numbers Test, and encourages ARS to continue researching the accuracy of the test and the environmental, storage, and generic conditions leading to this quality loss.

Whitefly.—The Committee recognizes that whiteflies are an emerging pest as a result of developing resistance to many pesticides making chemical control difficult and climate variability re-

sulting in warmer winters and lower seasonal die off. The Committee remains concerned with the whitefly, *Bemisia tabaci*, epidemic which is severely impacting vegetable and cotton production in the Southeast United States. In FY 2018, the Committee directed ARS and NIFA, in cooperation with land grant universities located in impacted states to develop and submit a plan of action to address the whitefly problem.

BUILDINGS AND FACILITIES

2018 appropriation	\$140,600,000
2019 budget estimate	---
Provided in the bill	136,000,000
Comparison:	
2018 appropriation	-4,600,000
2019 budget estimate	+136,000,000

COMMITTEE PROVISIONS

For Agricultural Research Service, Buildings and Facilities, the Committee provides an appropriation of \$136,000,000 for priorities identified in the updated USDA ARS Capital Investment Strategy.

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE

RESEARCH AND EDUCATION ACTIVITIES

2018 appropriation	\$887,171,000
2019 budget estimate	794,479,000
Provided in the bill	920,012,000
Comparison:	
2018 appropriation	+32,841,000
2019 budget estimate	+125,533,000

COMMITTEE PROVISIONS

For Research and Education Activities, the Committee provides an appropriation of \$920,012,000.

Agricultural Research Enhancement Awards.—The Committee continues to direct that not less than 15 percent of the competitive research grant funds be used for USDA's agriculture research enhancement awards program, including USDA-EPSCoR, in accordance with 7 U.S.C. 450i.

Animal Feed Pathogen.—The Committee is concerned that very little data exists on the level of pathogen in animal feed, nor the impact of those pathogen and the feed itself might have on the ultimate pathogen levels in food animals as they enter the human food system. The Committee encourages a comprehensive research effort to identify and address risk factors of foodborne pathogens in food animals, what roles feedstuffs have in the level of risk, and what processes might be introduced to reduce or eliminate pathogens in feedstuff.

Bioactives and Prebiotics Used in Animal Production.—The Committee supports enhanced research efforts to advance the development of alternatives to sub-therapeutic doses of antibiotics used in animal production. The Committee encourages NIFA to examine nutritional alternatives and feed additives containing bioactives and prebiotics that may lead to reduced antibiotic use and boost immune responses in livestock.

Centers of Excellence.—In 2015, on the occasion of the 125th anniversary of the Second Morrill Act of 1890, USDA announced the

establishment of three Ranches and Forest Landowners in high poverty areas, establish a virtual center to support the science, technology, engineering, agriculture, and mathematics (STEAM) pipeline of students to meet future workforce needs; and satisfy the nation's need in the areas of international engagement and global food security. The Committee believes that these Centers were an important and necessary commitment to the 1890 Universities and requests that the USDA in collaboration with the USDA-1890 Taskforce prepare a report for Congress within 90 days of enactment on how we can permanently establish these Centers and make them sustainable and fully functional. The Committee provides an additional \$5,000,000 for the Centers for Excellence with Research at 1890 Institutions (Evans-Allen Program).

Citrus Disease Research Program.—The 2014 Farm Bill established the Emergency Citrus Disease Research and Extension Program, which is intended to discover and develop tools for early detection, control, and eradication of diseases and pests that threaten domestic citrus production and processing, and provided \$25,000,000 per year in mandatory funding for the program through the Specialty Crop Research Initiative. The Committee believes research projects funded under this authority should be prioritized based on the critical threat of citrus greening and encourages NIFA, to the maximum extent practicable, to follow the recommendations of the National Agricultural Research, Extension, and Education Advisory Board's citrus disease subcommittee and to collaborate with the HLB MAC group.

Crop Degradation.—The Committee is aware of crop degradation issues harming agricultural producers. For example, starch degradation in Pacific Northwest soft white wheat crops led to significant value losses for producers in late 2016. The Committee encourages NIFA to conduct research through AFRI into soft white wheat crop quality loss to mitigate its impact on producers.

Increasing Diversity in Agricultural Career Fields.—The Committee is concerned with the low numbers of African Americans working in agricultural career fields such as farming, ranching, producing, IT, science, and finance. The Committee encourages NIFA to develop a working group that includes leadership from the 1860, 1890, and 1994 institutions within the land grant university system to develop an actionable plan aimed at increasing the number of minorities entering into the agricultural workforce. The Committee also recommends that the plan include strengthening agricultural education at the University level and creating partnerships for feeder programs into graduate studies to foster the career potential pipeline.

Livestock and Poultry Waste Research.—The Committee recognizes the benefits of improved methods of managing animal waste in livestock and poultry production and encourages NIFA to support research and development of innovative technologies, particularly those that are operationally and economically feasible and have a high probability of widespread implementation. The Committee directs NIFA to submit a report on what steps it can take to work with other federal agencies to develop a comprehensive approach to all value chains related to manure management to include energy production, energy credits, nutrient credits, and min-

eral supplements, taking into consideration the full range of livestock production to include cattle, poultry, and swine.

Minor Crop Pest Management.—The Committee recognizes that data collection efforts are needed to maintain and develop the tools needed to assure adequate vector control and protect public health. In addition, the Committee supports continuation of the IR-4 Public Health Pesticide Program through the Deployed Warfighter Protection Program to provide critical assistance for supporting vector control, including regulatory and other support needed to maintain public health.

Mitigation of Foodborne Pathogens.—The Committee encourages USDA to continue the development of interventions that decrease the presence of Salmonella in the food supply, including working with the livestock and poultry sector to further develop on-farm intervention strategies.

NIFA Program Authorities and Consolidation Report.—The Committee notes that the FY18 Consolidated Appropriations Act and report contains fifty appropriated lines covering the entirety of the agricultural research, education and extension realm. In addition, NIFA administers the Specialty Crop Research Initiative and Beginning Farmers and Ranchers Program. The Committee is concerned that some of these programs are duplicative or can be executed under the broad authorities of the Agriculture and Food Research Initiative, Evans-Allen Program, 1890's Extension, and Hatch and Smith-Lever Acts. In addition, the Committee notes that USDA's annual budget submission routinely proposes the elimination of many of the smaller NIFA programs. Accordingly, the Committee directs NIFA to provide a report by September 30, 2019 that details the authority under which each funded NIFA program is administered and whether that program (its goals or priorities), or the challenges each program is intended to address, can be achieved under the authorities of the Agriculture and Food Research Initiative, Evans-Allen Program, 1890's Extension, and Hatch and Smith-Lever Acts or other appropriate programs.

Organic Agriculture.—The Committee encourages USDA to ensure that the needs of the U.S. organic sector are more fully addressed through AFRI. As USDA's flagship competitive agricultural research grant program, AFRI funding should be reflective of the needs of all aspects of U.S. agriculture, including organic. The Committee directs USDA to develop a plan for meeting this goal, including how the agency will ensure organic research conducted through AFRI is not duplicative of research conducted with mandatory funds through the Organic Agriculture Research and Extension Initiative and other research programs, and report back to the Committee within 60 days of enactment of this Act.

Research at Historically Black Colleges and Universities and Hispanic Serving Institutions.—The Committee encourages NIFA to continue to support biotechnology by promoting research at the land-grant colleges and universities, including the Historically Black Colleges and Universities and Hispanic Serving Institutions, and directs NIFA to encourage partnerships among universities and industry.

Water Quality.—The Committee encourages USDA to research alternatives to land application of animal manures in areas where over-application is harming fresh water drinking supplies. The

Committee also urges USDA to identify alternative collection and processing options to remove toxic elements and yield usable material.

Zoonotic Disease Research.—The eradication of zoonotic livestock diseases has been a priority of federal and state animal health officials, as was reflected in the 2014 Farm Bill. The Committee recognizes the need for this research and encourages NIFA to support the development of improved management tools for zoonotic livestock diseases that have significant wildlife reservoirs.

The following table reflects the amounts provided by the Committee:

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE—RESEARCH AND EDUCATION ACTIVITIES

[Dollars in Thousands]

Program/activity	Authorization	2018 enacted	2019 estimate	Committee provision
Hatch Act	7 U.S.C. 361a–i	\$243,701	\$243,238	\$259,000
McIntire-Stennis Cooperative Forestry Act	16 U.S.C. 582a through a–7 ...	33,961	28,867	36,000
Research at 1890 Institutions (Evans-Allen Program).	7 U.S.C. 3222	54,185	53,817	60,000
Payments to the 1994 Institutions	7 U.S.C. 301 note	3,439	3,416	3,439
Education Grants for 1890 Institutions	7 U.S.C. 3152(b)	19,336	19,205	19,336
Education Grants for Hispanic-Serving Institutions ..	7 U.S.C. 3241	9,219	9,156	9,219
Education Grants for Alaska Native and Native Hawaiian-Serving Institutions.	7 U.S.C. 3156	3,194	3,172	3,172
Research Grants for 1994 Institutions	7 U.S.C. 301 note	3,801	1,789	3,801
Capacity Building for Non Land-Grant Colleges of Agriculture.	7 U.S.C. 3319i	5,000	— — —	5,000
Grants for Insular Areas	7 U.S.C. 3222b–2, 3362 and 3363.	2,000	1,986	2,000
Agriculture and Food Research Initiative	7 U.S.C. 450i(b)	400,000	375,000	415,000
Veterinary Medicine Loan Repayment	7 U.S.C. 3151a	8,000	4,991	8,000
Veterinary Services Grant Program	7 U.S.C. 3151b	2,500	— — —	2,500
Continuing Animal Health and Disease Research Program.	7 U.S.C. 3195	4,000	— — —	4,000
Supplemental and Alternative Crops	7 U.S.C. 3319d	825	— — —	825
Multicultural Scholars, Graduate Fellowship and Institution Challenge Grants.	7 U.S.C. 3152(b)	9,000	— — —	9,000
Secondary and 2-year Post-Secondary Education	7 U.S.C. 3152(j)	900	— — —	900
Aquaculture Centers	7 U.S.C. 3322	5,000	— — —	5,000
Sustainable Agriculture Research and Education	7 U.S.C. 5811, 5812, 5831, and 5832.	35,000	19,009	30,000
Farm Business Management	7 U.S.C. 5925f	2,000	— — —	2,000
Sun Grant Program	7 U.S.C. 8114	3,000	— — —	3,000
Alfalfa and Forage Research Program	7 U.S.C. 5925	2,250	— — —	2,250
Minor Crop Pest Management (IR–4)	7 U.S.C. 450i(c)	11,913	11,832	11,913
Special Research Grants:	7 U.S.C. 450i(c).			
Global Change/UV Monitoring .....	.....	1,405	— — —	1,400
Potato Research	7 U.S.C. 450i(c)	2,500	— — —	2,500
Aquaculture Research	7 U.S.C. 450i(c)	1,350	— — —	1,350
Total, Special Research Grants .....	.....	5,255	— — —	5,250
Necessary Expenses of Research and Education Activities:				
Grants Management Systems .....	.....	7,830	7,424	7,830
GSA Rent and DHS Security Expenses .....	.....	— — —	— — —	— — —
Federal Administration—Other Necessary Expenses.	.....	11,862	11,577	11,577
Total, Necessary Expenses .....	.....	19,692	19,001	19,407
Total, Research and Education Activities.	.....	\$887,171	\$794,479	\$920,012

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

2018 appropriation	(\$11,880,000)
2019 budget estimate	(11,857,000)
Provided in the bill	(11,880,000)
Comparison:	
2018 appropriation	---
2019 budget estimate	+23,000

COMMITTEE PROVISIONS

For the Native American Institutions Endowment Fund, the Committee provides \$11,880,000.

EXTENSION ACTIVITIES

2018 appropriation	\$483,626,000
2019 budget estimate	450,185,000
Provided in the bill	495,626,000
Comparison:	
2018 appropriation	+12,000,000
2019 budget estimate	+45,441,000

COMMITTEE PROVISIONS

For Extension Activities, the Committee provides an appropriation of \$495,626,000.

Rural Health and Safety Education Programs.—The opioid abuse epidemic is one of the greatest threats facing rural America today, and the Committee supports all efforts to address this problem through improved health and safety education and outreach. The Committee provides \$3,000,000 for Rural Health and Safety Education Programs to combat opioid abuse in rural communities.

The following table reflects the amounts provided by the Committee:

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE—EXTENSION ACTIVITIES

[Dollars in Thousands]

Program/activity	Authorization	FY 2018 enacted	FY 2019 estimate	Committee provision
Smith-Lever Act, Section 3(b) and (c) programs and Cooperative Extension.	7 U.S.C. 343(b) and (c) and 208(c) of P.L. 93-471.	\$300,000	\$299,430	\$315,000
Extension Services at 1890 Institutions	7 U.S.C. 3221	45,620	45,310	45,620
Extension Services at 1994 Institutions	7 U.S.C. 343(b)(3)	6,446	4,416	6,446
Facility Improvements at 1890 Institutions	7 U.S.C. 3222b	19,730	19,596	19,730
Renewable Resources Extension Act	16 U.S.C. 1671 et. seq.	4,060	---	4,060
Rural Health and Safety Education Programs	7 U.S.C. 2662(i)	3,000	---	3,000
Food Animal Residue Avoidance Database Program	7 U.S.C. 7642	2,500	1,242	2,500
Women and Minorities in STEM Fields	7 U.S.C. 5925	400	---	400
Food Safety Outreach Program	7 U.S.C. 7625	7,000	4,966	5,000
Smith-Lever Act, Section 3(d):	7 U.S.C. 343(d)			
Food and Nutrition Education		67,934	55,100	67,934
Farm Safety and Youth Farm Safety Education Programs.		4,610	---	4,610
New Technologies for Agricultural Extension		1,550	---	1,550
Children, Youth, and Families at Risk		8,395	8,338	8,395
Federally Recognized Tribes Extension Program		3,039	3,018	3,039
Total, Section 3(d)		85,528	66,456	85,528
Necessary Expenses of Extension Activities:				
Agriculture in the K-12 Classroom	7 U.S.C. 3152(j)	552	548	552
Federal Administration—Other Necessary Expenses for Extension Activities.		7,790	8,221	7,790

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE—EXTENSION ACTIVITIES—Continued

[Dollars in Thousands]

Program/activity	Authorization	FY 2018 enacted	FY 2019 estimate	Committee provision
Total, Necessary Expenses		8,342	8,769	8,342
Total, Extension Activities		\$483,626	\$450,185	\$495,626

INTEGRATED ACTIVITIES

2018 appropriation	\$37,000,000
2019 budget estimate	13,037,000
Provided in the bill	37,000,000
Comparison:	
2018 appropriation	— — —
2019 budget estimate	+23,963,000

COMMITTEE PROVISIONS

For Integrated Activities, the Committee provides an appropriation of \$37,000,000.

Food and Agriculture Defense Initiative.—The Committee supports the critical contributions that labs within the National Animal Health Laboratory Network (NAHLN), including those located at Colleges of Veterinary Medicine, make in responding to emerging threats to American agriculture. When expanding the network, the Committee encourages NIFA to take into consideration laboratories which would enhance the capacity for surveillance, monitoring, and response; the concentration of human and animal populations that are directly at risk; geography, ecology, and climate; evidence of active collaboration with, and support of, state animal health officials; and evidence of stakeholder support and engagement.

The following table reflects the amounts provided by the Committee.

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE—INTEGRATED ACTIVITIES

[Dollars in Thousands]

Program/activity	Authorization	FY 2018 enacted	FY 2019 estimate	Committee provision
Methyl Bromide Transition Program	7 U.S.C. 7626	\$2,000	\$— — —	\$2,000
Organic Transition Program	7 U.S.C. 7626	5,000	— — —	5,000
Regional Rural Development Centers	7 U.S.C. 450i(c)	2,000	— — —	2,000
Food and Agriculture Defense Initiative	7 U.S.C. 3351	8,000	— — —	8,000
Crop Protection/Pest Management Program	7 U.S.C. 7626	20,000	13,037	20,000
Total, Integrated Activities		\$37,000	\$13,037	\$37,000

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

2018 appropriation	\$901,000
2019 budget estimate	800,000
Provided in the bill	901,000
Comparison:	
2018 appropriation	— — —
2019 budget estimate	+101,000

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Marketing and Regulatory Programs, the Committee provides an appropriation of \$901,000.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

2018 appropriation	\$981,893,000
2019 budget estimate	739,151,000
Provided in the bill	998,353,000
Comparison:	
2018 appropriation	+16,460,000
2019 budget estimate	+259,202,000

COMMITTEE PROVISIONS

For the Animal and Plant Health Inspection Service, Salaries and Expenses, the Committee provides an appropriation of \$998,353,000.

The Committee provides increases for the following programs: \$500,000 for Equine, Cervid, and Small Ruminant Health; \$7,620,000 for Veterinary Diagnostics; \$100,000 for Field Crop and Rangeland Ecosystems Pests; \$10,843,000 for Specialty Crop Pests; and \$2,000,000 for Overseas Technical and Trade Operations.

Within the amount included for Specialty Crop Pests, the Committee includes \$63,640,000 for fruit fly exclusion and detection; \$61,000,000 for citrus health, including \$3,000,000 for the Huanglongbing Multi-Agency Coordination efforts; \$21,000,000 for the glassy-winged sharpshooter; \$6,318,000 for the pale cyst nematode; \$6,500,000 for the light brown apple moth; \$6,600,000 for the European grapevine moth; and \$15,000,000 for spotted lanternfly.

The following table reflects the amounts provided by the Committee:

(Dollars in Thousands)

	Committee provision
Animal Health Technical Services	\$37,857
Aquatic Animal Health	2,253
Avian Health	62,840
Cattle Health	96,500
Equine, Cervid, and Small Ruminant Health	20,500
National Veterinary Stockpile	5,725
Swine Health	24,800
Veterinary Biologics	16,417
Veterinary Diagnostics	47,160
Zoonotic Disease Management	16,523
<i>Subtotal, Animal Health</i>	330,575
Agricultural Quarantine Inspection (Appropriated)	31,330
Cotton Pests	11,520
Field Crop & Rangeland Ecosystem Pests	9,426
Pest Detection	27,446
Plant Protection Methods Development	20,686
Specialty Crop Pests	189,013
Tree & Wood Pests	54,000
<i>Subtotal, Plant Health</i>	343,421
Wildlife Damage Management	108,376

[Dollars in Thousands]

	Committee provision
Wildlife Services Methods Development	18,856
<i>Subtotal, Wildlife Services</i>	<i>127,232</i>
Animal & Plant Health Regulatory Enforcement	16,224
Biotechnology Regulatory Services	18,839
<i>Subtotal, Regulatory Services</i>	<i>35,063</i>
Contingency Fund	470
Emergency Preparedness & Response	40,966
<i>Subtotal, Safeguarding and Emergency Preparedness</i>	<i>41,436</i>
Agriculture Import/Export	15,599
Overseas Technical and Trade Operations	24,115
<i>Subtotal, Safe Trade & International Technical Assistance</i>	<i>39,714</i>
Animal Welfare	30,810
Horse Protection	705
<i>Subtotal, Animal Welfare</i>	<i>31,515</i>
APHIS Information Technology Infrastructure	4,251
Physical/Operational Security	5,146
GSA Rental and DHS Security Payments	40,000
<i>Subtotal, Agency Management</i>	<i>49,397</i>
Total, Salaries & Expenses	\$998,353

Animal Welfare.—The bill provides \$30,810,000 for the Animal Welfare program in order to ensure that minimum standards of care and treatment are provided for certain animals bred for commercial sale, used in research, transported commercially, or exhibited to the public. The Committee maintains the FY18 Consolidated Appropriation Act increase of \$2,000,000, of which a majority of funds can be used to support the Memorandum of Understanding (MOU) between APHIS and ARS. The MOU enables APHIS to conduct annual compliance inspections of ARS facilities to ensure close alignment with regulations and standards of the Animal Welfare Act (AWA).

Animal Welfare Inspection Records.—USDA ceased posting searchable records in February 2017 for the Animal Care Inspection System pending a comprehensive review of the information on its website. The Department has not acted in full on the results of that review nor provided sufficient rationale to withhold inspection information. APHIS is directed to utilize the resources provided in this bill to resume posting all records where legally permissible and provide searchable records without delay.

Avian Health.—The Committee continues to provide \$7,500,000 in the Avian Health line to help pay poultry growers and integrators for losses due to low pathogenic avian influenza.

Antimicrobial Resistance.—The Committee continues to support funding to collect additional data that will inform policy related to the appropriate antibiotic use in all settings across agriculture and clinical medicine. The Committee provides funds for on-farm surveillance and data collection to enhance the understanding of on-farm levels of antibiotic use and the impact on antimicrobial resistance levels. The information collected should clearly delineate between antibiotics used for food-producing and companion animals. Further, to avoid duplication with existing programs like the Na-

tional Antimicrobial Resistance Monitoring System (NARMS), the Committee expects surveys regarding on-farm usage to be limited to collecting information about the antibiotics used and should not be utilized for other regulatory purposes. In designing these surveys, the Committee expects the agency to work primarily with end-users of antibiotics and veterinarians providing care to the animals. The Agency is reminded that any information collected on-farm should be done through the National Animal Health Monitoring System (NAHMS) under the Confidential Information Protection and Statistical Efficiency Act to guarantee that all information collected is protected from release or distribution in a manner that could identify an individual respondent for the full time that the data is in existence. The Committee does not support the collection of any on-farm antibiotic use data, including biological sampling, or studies for resistance information unless stakeholder confidentiality is absolutely guaranteed and data security is strictly guarded.

Aquatic Animal Health.—The Southeastern United States is a center for aquatic biodiversity, supporting hundreds of native species that occur nowhere else on Earth. It also is home to the vast majority of the pond-based aquaculture operations. The Southeast is the only region in the country that lacks a multi-state/regional aquatic animal health plan. The Committee is aware of multiple pathogenic outbreaks both in wild waters and commercial ponds. Sick, abnormal, lesioned, or dead fish cause alarm among local citizens and sport fishers, lessen desire to go fishing and buy fishing licenses, raise doubts about clean water, discourage consumers from buying seafood, and tarnish the image of a tourism destination, thereby affecting local and regional economies. The Committee directs APHIS to work collaboratively with ARS, the National Marine Fisheries Service, the Fish and Wildlife Service, state resource managers, aquatic disease diagnostic labs, and academic institutions to develop a regional aquatic animal health plan including appropriate monitoring and detection.

Cattle Fever Tick.—The Committee continues to provide \$5,000,000 for all activities under the Cattle Fever Tick Eradication Program (CFTEP) related to eradication of fever ticks for livestock and wildlife hosts including but not limited to research, data management, infrastructure, and treatment.

Cervid Health.—Funding is provided in the bill for the national, voluntary Herd Certification Program (HCP) and regulations for the interstate movement of farmed or captive deer, elk, and moose. The cervid industry continues to participate in the agency's HCP, which supports the domestic and international marketability of U.S. cervid herds. Funds are to be used for a combination of surveillance, research, and indemnification for culling herds where Chronic Wasting Disease (CWD) infection has been found. Currently the only reliable test is a brain biopsy. The agency is encouraged to utilize resources to help speed up the development of a live test for CWD that would greatly decrease the need for indemnity. The Committee encourages APHIS to maintain its commitment to the HCP and the cervid industry, and directs the agency to spend no less than \$4,000,000 for cervid health activities. Within the funds provided, the agency should give consideration to indemnity payments if warranted.

Citrus Health Response Program (CHRP).—CHRP is a national program for the pest and disease exclusion and eradication activities including those associated with HLB and its vector the Asian Citrus Psyllid. The survival of the citrus industry in the U.S. is dependent on this funding, which supports efforts in citrus-producing states to research, survey, and combat both the pest and the disease. In addition to the funds provided in this account, the Committee encourages APHIS to utilize the funds available in the Plant Pest and Disease Management and Disaster Prevention Programs account to the greatest extent possible in an attempt to sustain the economic viability of the citrus industry.

Cost Sharing with States and Other Cooperators.—The Committee directs APHIS to maximize the use of cost-sharing agreements or matching requirements with states, territories, producers, foreign governments, non-governmental organizations, and any other recipient of services in order to reduce the cost burden on the agency.

Cotton Pests.—The Committee encourages APHIS and the cotton industry to make every effort to ensure the boll weevil does not reinfest areas of the U.S. where it has been successfully eradicated. The Boll Weevil Eradication Program, an outstanding example of a public-private partnership, has successfully eradicated the boll weevil from all U.S. cotton-producing regions except for the extreme lower parts of Texas in the Lower Rio Grande Valley (LRGV) bordering Tamaulipas, Mexico. Growers in the LRGV, with assistance from APHIS and the support of the entire industry, continue to conduct an active program to eradicate the boll weevil. The LRGV serves as the barrier between boll weevil infested areas of Mexico and boll weevil-free areas of the United States.

Emergency Outbreaks.—The Committee continues to include specific language relating to the availability of funds to address emergencies related to the arrest and eradication of contagious or infectious diseases or pests of animals, poultry or plants. The Committee expects the Secretary to continue to use the authority provided in this bill to transfer funds from the CCC for the arrest and eradication of animal and plant pests and diseases that threaten American agriculture. By providing funds in this account, the Committee is enhancing, not replacing, the use of CCC funding for emergency outbreaks.

Feral Swine Management.—Feral swine are found in at least 41 states and have an estimated population of more than 5,000,000. These invasive species cause more than \$1,500,000,000 in damages and control costs in the United States each year, with at least \$800,000,000 of this due to direct damage to agriculture. The Committee believes this damage assessment far underestimates the level of damage when considering the impact to the environment, native species, habitat, historic sites, and residential and commercial areas. The Committee supports APHIS' National Feral Swine Damage Management Program, which involves feral swine activities in the areas of research, development, education, outreach, and coordination. The Committee urges APHIS to spend no less than the amount provided in the FY18 Consolidated Appropriations Act and directs APHIS to use these funds to support its existing cooperative service agreement process, which identifies and develops unmet needs for feral swine control nationwide.

Horse Protection Act.—The Committee has continually encouraged APHIS to work more closely with stakeholders pursuant to the HPA. Specifically, the agency has been directed to provide greater and more consistent transparency, to work more closely with stakeholders on rules and regulations, and to move away from the subjective nature of current inspection methods in favor of objective measurements. While the Committee recognizes some progress, the agency must work in good faith to address the Committee's requests, which are intended to further the dual goals of the HPA to care for animals engaged in the trade and promote the industry in a safe manner. The Committee reminds APHIS that any substantive changes to the statute or its intent should be made by Congress through the legislative process.

Huanglongbing Emergency Response.—The Committee maintains the increased funding levels for HLB emergency response within the Specialty Crop Pests line item. The Committee encourages APHIS to allocate sufficient resources in order to continue vital management, control, and associated activities to address citrus greening. The disease, for which there is no cure, has caused a reduction in citrus production by over 60 percent since 2007 in Florida alone. All citrus producing counties in Texas are under quarantine, and California has found the Asian Citrus Psyllid, the vector of the disease, in some backyard trees but not in the commercial groves to date. The spread of this disease has called the future of the domestic citrus industry into question, costing thousands of jobs and millions of dollars in lost revenue. In addition, the agency is encouraged to support priorities and strategies identified by the HLB MAC group to benefit the citrus industry. The agency should appropriately allocate resources based on critical need and maximum effect to the citrus industry.

The Committee provides \$3,000,000 from within the total for citrus health to support priorities and strategies identified by the HLB MAC group. The MAC is focused on short-term solutions to help the citrus industry, and the cooperative nature of federal, state, and industry representatives in this group is expected to result in the development of tools and techniques to address this devastating disease. The MAC has been an effective resource in helping growers explore new possible solutions. The agency should appropriately allocate resources based on critical need and maximum impact to the citrus industry. These citrus health activities directly protect citrus production on approximately 711,000 acres in the United States worth more than \$3,439,000,000 for the 2016–2017 growing season.

In and Out Bound Market Access Report.—This Administration is focused on trade deficits and the imbalance U.S. trade agreements have created for U.S. workers. As trade negotiations and WTO decisions take years to show results, APHIS has the most influence on day-to-day market expansion for U.S. agriculture. U.S. commodities face a long list of barriers to trade in the form of phytosanitary, pesticide residue levels, and inspection. APHIS works hard to resolve non-tariff and phytosanitary trade barriers that can cost U.S. producers millions of dollars in lost exports. The U.S. is an attractive market for foreign suppliers and granting foreign market access to the U.S. is a key to trade relations and lower consumer prices. While expanding market access for U.S. pro-

ducers, the committee wants to ensure the U.S. is not unfairly creating an imbalance of foreign imports in the domestic market. To understand the cumulative gains and losses U.S. agriculture has had with USDA's policy decisions, the Committee directs APHIS to provide a report of the last three years on U.S. out-bound and foreign in-bound agricultural market access. The report should include the date access was granted and the in-bound and out-bound volumes shipped by country and commodity.

Light Brown Apple Moth.—The Committee encourages APHIS to engage state and international regulatory bodies to deregulate the light brown apple moth. The Committee is concerned that if APHIS simply withdraws federal regulation without the necessary work with other regulatory officials, APHIS will shift, not reduce, the regulatory burden. Should APHIS withdraw the federal order for the light brown apple moth, it must take steps to reduce the overall burden on growers. The Committee maintains flat funding for the light brown apple moth to support the second phase of the Joint Forward Plan and urges the Department to develop initiatives for permanent, ongoing departmental regulatory partnerships while continuing to engage stakeholders and trading partners throughout North America.

National Animal Health Laboratory Network.—The laboratories within the NAHLN network are on the frontline for detection of newly identified and reemerging animal diseases. NAHLN laboratories provide a critical contribution to animal and public health. The bill provides funding for NAHLN through both APHIS and NIFA at approximately \$12,000,000 and \$4,300,000, respectively, resulting in a total investment of no less than \$16,300,000 for fiscal year 2019. NAHLN laboratories were invaluable during the 2015 outbreak of HPAI, which significantly increased testing needs. At the same time, NAHLN laboratories must also continue testing for other animal diseases of concern.

On-farm Data Collection.—The Committee supports efforts to address potential gaps in farm-specific antimicrobial resistance data. At the same time, the Agency is reminded that any information collected on-farm should be done through the National Animal Health Monitoring System (NAHMS) under the Confidential Information Protection and Statistical Efficiency Act to guarantee that all information collected is protected from release or distribution in a manner that could identify an individual respondent for the full time that the data is in existence. The Committee does not support the collection of any on-farm antibiotic use data, including biological sampling, or studies for resistance information unless stakeholder confidentiality is absolutely guaranteed and data security is strictly guarded.

Orobanche Ramosa.—The Committee recognizes that APHIS efforts to eradicate *Orobanche ramosa*, also known as branched broomrape, in Texas were not completely successful and has resulted in its reemergence as a threat to agriculture. As such, the Committee encourages that the Animal and Plant Health Inspection Service works with the appropriate Congressional Committees, along with states and local stakeholders to formulate and execute a plan, which will permanently eradicate the branched broomrape.

Overseas Trade and SPS Disputes.—An increase of \$2,000,000 is provided for the Overseas Technical and Trade Operations account

should help resolve sanitary and phytosanitary trade issues that could result in the opening of new markets and retaining and expanding existing market access for U.S. agricultural products.

Potato Cyst Nematode Eradication.—The Committee includes funding to maintain resources for the potato cyst nematode eradication program at the FY18 Consolidated Appropriations Act level in order to continue with successful efforts to eradicate this pest. If left untreated, this pest could spread, affecting other crops.

Regional Biosecurity Plans.—The Secretary of Agriculture shall submit to the Committees on Appropriations of the House and Senate, at the time the President's budget for fiscal year 2020 is submitted under section 1105(a) of title 31, United States Code, a report describing the steps USDA has taken to implement the Regional Biosecurity Plan for Micronesia and Hawaii, as developed jointly by the Department and other federal and non-federal entities. The report shall include an update on previous and upcoming implementation activities, including estimates of additional funding to be used or needed for planned activities.

Roseau Cane.—The Committee continues to have strong concerns with the invasive pest destroying roseau cane in much of the lower Mississippi River Delta and provides \$600,000 within the Field Crop and Rangeland Ecosystems Pest line for related control and eradication activities. The Roseau cane is a reed which serves as a critical means of preventing erosion of sensitive wetlands in the region.

Spotted Lanternfly.—The Committee is concerned about the recent Spotted Lanternfly outbreak and provides no less than \$15,000,000 within the Specialty Crop line item. This pest is native to southeast Asia, and is considered an invasive species. The Spotted Lanternfly has impacted 13 counties in eastern and southeastern Pennsylvania as well as surrounding states in the Mid-Atlantic states. The pest has already inflicted significant financial losses on agricultural producers and homeowners. Additionally, this pest has the potential to become a serious national and transnational trade issue as well. The Committee directs the APHIS to further examine efforts to combat this species.

Vaccine for Foot-and-Mouth Disease (FMD).—FMD is a highly contagious viral disease eradicated from the U.S. in 1929, but it is still a threat since countries around the globe continue grappling with the disease. This disease could cause billions of dollars in damage to the economy if unchecked. APHIS has publicly stated that the FMD vaccine bank is insufficient to deal with a large scale FMD outbreak in the U.S., and that a larger vaccine bank is needed. APHIS has also noted that expanding the current FMD vaccine supply is an expensive investment. Having sufficient quantities of vaccine readily available and deployable to control an FMD outbreak would appear to be a critical part of the APHIS mission. Rapid control of FMD protects the security of the U.S. food supply, limiting the economic damage from livestock losses due to the disease, and also shortens disruptions to trade and commerce that would occur as long as FMD goes uncontrolled due to a lack of vaccine. The Committee is concerned that this potential vaccine shortage could result in the compromised management of an FMD outbreak in the United States. In order that the Committee can better understand the budget implications required to address this vac-

cine shortage, APHIS is directed to report to the Committees within 90 days of enactment of this Act on contingency plans to develop an expanded vaccine bank and the estimated funding necessary for implementation and maintenance.

Wildlife Damage Management.—While receiving support from co-operators to conduct wildlife management operations, special emphasis should be placed on those areas such as oral rabies vaccination, livestock protection, predator damage management for avian predators such as the blackbird and raven in Western states and cormorants in the south, and other such activities that will reduce or eliminate threats to agricultural industries. The Committee expects APHIS to provide no less than \$28,000,000 for the national rabies management, surveillance, and eradication efforts. No less than \$250,000 is provided for the agency to reduce blackbird depredation in the Northern Great Plains.

Of particular concern is the continued and repeat depredation by wolves and packs in the Pacific Northwest. In certain states where state management plans require state agencies to utilize lethal control of wolves, it is important these actions are taken to protect livestock. As experts in the field of managing predators to prevent depredation, USDA has valuable knowledge, tools and resources that can assist states in managing the federally reintroduced wolves. The Committee directs USDA to prioritize and complete the documentation and processes needed to allow them to assist states and local livestock producers with managing this situation.

BUILDINGS AND FACILITIES

2018 appropriation	\$3,175,000
2019 budget estimate	2,852,000
Provided in the bill	3,175,000
Comparison:	
2018 appropriation	- - -
2019 budget estimate	+323,000

COMMITTEE PROVISIONS

For Buildings and Facilities of the Animal and Plant Health Inspection Service, the Committee provides \$3,175,000.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

2018 appropriation	\$151,595,000
2019 budget estimate	118,617,000
Provided in the bill	153,095,000
Comparison:	
2018 appropriation	+1,500,000
2019 budget estimate	+34,478,000

COMMITTEE PROVISIONS

For Marketing Services of the Agricultural Marketing Service (AMS), the Committee provides an appropriation of \$153,095,000. This amount includes an increase of \$2,000,000 for the continued implementation of the National Bioengineered Food Disclosure Standard.

Grading Services.—A lack of access to USDA graders for poultry and meat processing is disruptive to economic growth and development in rural communities. The Committee urges AMS to revalu-

ate its work with States and institutions of higher education to more adequately distribute graders to underserved rural communities.

National Organic Program (NOP).—There continues to be concern about fraud in the organic program, especially among imports. Therefore, the Committee provides an increase of \$1,500,000 for the NOP to strengthen enforcement of organic labeling. The Committee notes that an additional \$3,000,000 was provided for the NOP in the FY18 Consolidated Appropriations Act to focus on robust fraud detection and oversight within the program. AMS is directed to continue providing the Committee with timely updates on investigations of fraud in organic markets.

Rural Infrastructure.—Inadequate market access is a critical barrier to economic growth in rural and agricultural communities. The Committee provides \$1,000,000 for the Transportation Services Division to continue working with other federal, state, and local agencies, as well as producers and those involved in all sectors of agriculture to address rural infrastructure needs.

LIMITATION ON ADMINISTRATIVE EXPENSES

2018 limitation	(\$61,227,000)
2019 budget limitation	(60,982,000)
Provided in the bill	(61,227,000)
Comparison:	
2018 limitation	- - -
2019 budget limitation	+245,000

COMMITTEE PROVISIONS

The Committee provides a limitation of \$61,227,000 on Administrative Expenses of the Agricultural Marketing Service.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY
(SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

2018 appropriation	(\$20,705,000)
2019 budget estimate	(20,489,000)
Provided in the bill	(20,705,000)
Comparison:	
2018 appropriation	- - -
2019 budget estimate	+216,000

COMMITTEE PROVISIONS

For the Marketing Agreements and Orders Program, the Committee provides a transfer from Section 32 funds of \$20,705,000.

The following table reflects the status of this fund for fiscal years 2018 and 2019:

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD FISCAL YEARS 2018–2019
[Dollars in thousands]

	FY 2018 enacted	Committee provision
Appropriation (30% of Customs Receipts)	\$10,370,878	\$10,624,198
Less Transfers:		
Food & Nutrition Service	- 8,872,010	- 9,092,218
Commerce Department	- 154,868	- 157,980
<i>Total, Transfers</i>	- 9,026,878	- 9,250,198

ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD FISCAL YEARS 2018–
2019—Continued
[Dollars in thousands]

	FY 2018 enacted	Committee provision
Prior Year Appropriation Available, Start of Year	125,000	— — —
Transfer of Prior Year Funds to FNS (F&V)	— 125,000	— — —
<i>Budget Authority, Farm Bill</i>	1,344,000	1,374,000
Rescission of Current Year Funds	— — —	— — —
Appropriations Temporarily Reduced—Sequestration	— 77,418	— 74,400
Unavailable for Obligations (F&V Transfer to FNS)	— — —	— — —
<i>Budget Authority, Appropriations Act</i>	1,266,582	1,299,600
<i>Less Obligations:</i>		
Child Nutrition Programs (Entitlement Commodities)	465,000	485,000
State Option Contract	5,000	5,000
Removal of Defective Commodities	2,500	2,500
Emergency Surplus Removal	0	0
Disaster Relief	5,000	5,000
Additional Fruits, Vegetables, and Nuts Purchases	206,000	206,000
Fresh Fruit and Vegetable Program	172,000	174,000
Estimated Future Needs	354,524	365,542
<i>Total, Commodity Procurement</i>	1,210,024	1,243,042
Administrative Funds:		
Commodity Purchase Support	35,853	35,853
Marketing Agreements and Orders	20,705	20,705
<i>Total, Administrative Funds</i>	56,558	56,558
<i>Total Obligations</i>	1,266,582	1,299,600

PAYMENTS TO STATES AND POSSESSIONS

2018 appropriation	\$1,235,000
2019 budget estimate	1,109,000
Provided in the bill	1,235,000
Comparison:	
2018 appropriation	— — —
2019 budget estimate	+126,000

COMMITTEE PROVISIONS

For Payments to States and Possessions, the Committee provides an appropriation of \$1,235,000.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

2018 limitation	(\$55,000,000)
2019 budget limitation	(80,000,000)
Provided in the bill	(55,000,000)
Comparison:	
2018 limitation	— — —
2019 budget limitation	— 25,000,000

COMMITTEE PROVISIONS

The Committee includes a limitation on inspection and weighing services expenses of \$55,000,000.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

2018 appropriation	\$800,000
2019 budget estimate	800,000
Provided in the bill	800,000
Comparison:	
2018 appropriation	— — —
2019 budget estimate	— — —

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Food Safety, the Committee provides an appropriation of \$800,000.

FOOD SAFETY AND INSPECTION SERVICE

2018 appropriation	\$1,056,844,000
2019 budget estimate	1,032,273,000
Provided in the bill	1,049,344,000
Comparison:	
2018 appropriation	– 7,500,000
2019 budget estimate	+17,071,000

COMMITTEE PROVISIONS

For the Food Safety and Inspection Service (FSIS), the Committee provides an appropriation of \$1,049,344,000.

The following table reflects the Committee’s recommendations for fiscal year 2019:

FOOD SAFETY AND INSPECTION SERVICE
[Dollars in Thousands]

	Recommendation
Federal Inspection	\$936,324
Public Health Data Communication Infrastructure System	34,580
International Food Safety and Inspection	16,758
State Food Safety and Inspection	61,682
<hr/>	<hr/>
Total, Food Safety and Inspection Service	\$1,049,344

Humane Methods of Slaughter.—FSIS shall ensure that inspectors hired with funding previously specified for enforcement under the Humane Methods of Slaughter Act focus their attention on overseeing compliance with humane handling rules for live animals as they arrive and are offloaded and handled in pens, chutes, and stunning areas, and that all inspectors receive robust national training, including on the Regulatory Essentials, Humane Animal Tracking System, and Public Health Information System.

Siluriformes Inspection.—Since implementing the Siluriformes inspection program, FSIS has conducted numerous inspections and has prevented more than 1.4 million pounds of adulterated or ineligible product from entering the U.S. food supply. FSIS has exceeded the number of inspections and findings by the FDA that previously had jurisdiction over the program. Given these results, the Committee continues to fully fund Siluriformes inspection activities and expects FSIS to comply with the provisions in the FY18 Consolidated Appropriations Act in determining equivalency for all countries wishing to continue exporting product to the United States.

TITLE II

FARM PRODUCTION AND CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FARM PRODUCTION AND
CONSERVATION

2018 appropriation	\$901,000
2019 budget estimate	875,000
Provided in the bill	901,000
Comparison:	
2018 appropriation	— — —
2019 budget estimate	+26,000

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Farm Production and Conservation (FPAC), the Committee provides an appropriation of \$901,000.

Reorganization.—The Committee is supportive of the Secretary's reorganization of the FPAC mission area, as reflected in the FY18 Consolidated Appropriations Act. The Committee directs the Under Secretary to provide briefings during fiscal year 2018 on preliminary strategies and plans for the reorganization related to the consolidation, co-location, relocation, and closure of field offices and staff; progress made on the development and implementation of the FPAC Business Center; and the development and combination of information technology systems, specifically farm program modernization.

FARM PRODUCTION AND CONSERVATION BUSINESS CENTER

SALARIES AND EXPENSES

2018 appropriation	\$1,028,000
2019 budget estimate	196,402,000
Provided in the bill	115,402,000
Comparison:	
2018 appropriation	+114,374,000
2019 budget estimate	– 81,000,000

COMMITTEE PROVISIONS

For the Farm Production and Conservation Business Center, the Committee provides an appropriation of \$115,402,000.

FARM SERVICE AGENCY

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

	Appropriation	Transfer from program accounts	Total, FSA S&E
2018 appropriation	\$1,202,146,000	(\$317,610,000)	(\$1,519,756,000)
2019 budget estimate	920,490,000	(266,913,000)	(1,187,403,000)
Provided in the Bill	1,095,769,000	(304,722,000)	(1,400,491,000)
Comparison:			
2018 appropriation	– 106,377,000	– 12,888,000	– (119,265,000)
2019 budget estimate	+\$175,279,000	+\$37,809,000	+(213,088,000)

COMMITTEE PROVISIONS

For Salaries and Expenses of the Farm Service Agency (FSA), the Committee provides an appropriation of \$1,095,769,000 and transfers of \$304,722,000, for a total program level of \$1,400,491,000.

The Committee provides for the Secretary’s reorganization of the FPAC mission area by moving funding for FSA’s administrative activities to the FPAC Business Center. The Committee provides an increase for the FPAC information portal.

Tree Assistance Program.— The Committee recognizes that The Agricultural Act of 2014 authorized the Tree Assistance Program (TAP) to provide financial assistance to eligible orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, and vines lost by natural disasters. To be considered eligible for the TAP program, trees, bushes, or vines must have suffered more than a 15 percent mortality loss in a stand due to a natural disaster. This 15 percent mortality test per stand prevents many growers from being considered for the program. The FY18 Consolidated Appropriations Act provided a pilot program that lowered the mortality rate to 7.5 percent for pecan trees. The Committee supports finding a more reasonable mortality rate for all trees, bushes, and vines under the TAP.

Foreign Land Ownership.—The Committee directs the Department to provide a report that analyzes the impact (in conjunction with other USDA agencies) of foreign persons acquiring, transferring, and holding agricultural land on family farms and rural communities.

Verification of Eligibility.—To further improve agency controls that help prevent payments to participants whose incomes exceed eligibility limits, the Committee encourages, to the maximum extent practicable, FSA to implement a process to verify that accountants’ and attorneys’ statements accurately reflect participants’ incomes as reported on income tax returns and supporting documentation or other equivalent documents.

FSA Workflow Management.—The Secretary is directed to fill vacant employee positions across FSA due to the current hiring freeze and attrition to ensure full customer service at county offices as provided through adequate funding levels in the current and prior fiscal years. Any changes to the FSA county office structure shall be done in consultation with the Committees on Appropriations and based upon a workflow analysis with objective criteria of producer and county employee needs and convenience.

STATE MEDIATION GRANTS

2018 appropriation	\$3,904,000
2019 budget estimate	3,228,000
Provided in the bill	3,228,000
Comparison:	
2018 appropriation	– 676,000
2019 budget estimate	– – –

COMMITTEE PROVISIONS

For State Mediation Grants, the Committee provides an appropriation of \$3,228,000.

GRASSROOTS SOURCE WATER PROTECTION PROGRAM

2018 appropriation	\$6,500,000
2019 budget estimate	— — —
Provided in the bill	6,500,000
Comparison:	
2018 appropriation	— — —
2019 budget estimate	+6,500,000

COMMITTEE PROVISIONS

For the Grassroots Source Water Protection Program, the Committee provides an appropriation of \$6,500,000.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFER OF FUNDS)

2018 appropriation	¹ \$500,000
2019 budget estimate	¹ 500,000
Provided in the bill	¹ 500,000
Comparison:	
2018 appropriation	— — —
2019 budget estimate	— — —

¹ Current indefinite appropriation.

COMMITTEE PROVISIONS

For the Dairy Indemnity Program, the Committee provides an appropriation of such sums as may be necessary (estimated to be \$500,000 in the President's fiscal year 2019 budget request).

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

ESTIMATED LOAN LEVELS

2018 loan level	\$8,005,610,000
2019 budget estimate	7,617,668,000
Provided in the bill	7,987,668,000
Comparison:	
2018 loan level	— 17,942,000
2019 budget estimate	+370,000,000

COMMITTEE PROVISIONS

For the Agricultural Credit Insurance Fund program account, the Committee provides a loan level of \$7,987,668,000.

The Committee provides a transfer of \$16,081,000 to the FPAC Business Center account for administrative expenses and provides \$11,600,000 available until September 30, 2020 for the hiring of additional farm loan officers to meet borrower demand and the servicing of loans.

Foreign Recipients of Farm Loans.—The Committee directs the Department to track guaranteed and direct loan applications for farm real estate loans for foreign held land.

The following table reflects the loan levels for the Agricultural Credit Insurance Fund program account:

AGRICULTURE CREDIT PROGRAMS—LOAN LEVELS

[Dollars in Thousands]

	FY 2018 enacted	FY 2019 estimate	Committee provision
Farm Loan Programs			
Farm Ownership:			
Direct	\$1,500,000	\$1,500,000	\$1,500,000
Unsubsidized Guaranteed	2,750,000	2,750,000	2,750,000
Farm Operating:			
Direct	1,530,000	1,500,000	1,530,000
Unsubsidized Guaranteed	1,960,000	1,600,000	1,960,000
Emergency Loans	25,610	37,668	37,668
Indian Tribe Land Acquisition Loans	20,000	20,000	20,000
Conservation Loans:			
Unsubsidized Guaranteed	150,000	150,000	150,000
Indian Highly Fractionated Land	10,000	--	10,000
Boil Weevil Eradication	60,000	60,000	30,000
Total	\$8,005,610	\$7,617,668	\$7,987,668

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

[Dollars in Thousands]

	Direct loan subsidy	Guaranteed loan subsidy	Administrative expenses
2018 appropriation	\$61,812	\$21,756	\$325,068
2019 budget estimate	58,500	17,280	292,587
Provided in the Bill	59,670	21,168	328,268
Comparison:			
2018 appropriation	-2,142	-588	+3,200
2019 budget estimate	+\$1,170	+\$3,888	+\$35,681

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

AGRICULTURE CREDIT PROGRAMS—SUBSIDIES AND GRANTS

[Dollars in Thousands]

	FY 2018 enacted	FY 2019 estimate	Committee provision
Farm Loan Subsidies			
Farm Operating:			
Direct	\$61,812	\$58,500	\$59,670
Unsubsidized Guaranteed	21,756	17,280	21,168
Emergency Loans	1,260	1,567	1,567
Indian Highly Fractionated Land	2,272	--	2,134
Total	87,100	77,347	84,539
ACIF Expenses:			
Salaries and Expenses	314,998	266,436	302,117
Administrative Expenses	10,070	10,070	10,070
FPAC Business Center Salaries and Expenses	--	16,081	16,081
Total, ACIF Expenses	\$325,068	\$292,587	\$328,268

RISK MANAGEMENT AGENCY

SALARIES AND EXPENSES

2018 appropriation	\$74,829,000
2019 budget estimate	¹ 37,942,000
Provided in the bill	75,419,000
Comparison:	
2018 appropriation	+590,000
2019 budget estimate	+37,477,000

¹Does not include \$20,000,000 from mandatory funding.

COMMITTEE PROVISIONS

For the Risk Management Agency, the Committee provides an appropriation of \$75,419,000.

Tribal Crop Insurance.—The Committee directs the Department to conduct a study on the applicability of current crop insurance programs, guidance documents, and outreach to tribal producers.

NATURAL RESOURCES SERVICE

CONSERVATION OPERATIONS

2018 appropriation	\$874,107,000
2019 budget estimate	669,033,000
Provided in the bill	890,293,000
Comparison:	
2018 appropriation	+16,186,000
2019 budget estimate	+221,260,000

COMMITTEE PROVISIONS

For Conservation Operations, the Committee provides an appropriation of \$890,293,000.

The Committee provides \$9,400,000 for the Snow Survey and Water Forecasting Program; \$9,481,000 for the Plant Materials Centers; and \$80,500,000 for the Soil Surveys Program. The Committee provides \$790,912,000 for Conservation Technical Assistance. The Committee provides an increase of nearly \$16,500,000 for Conservation Technical Assistance, including the \$5,000,000 requested in the President's Budget for information technology investments to focus on improved customer service.

Agricultural Conservation Easement Program.—Due to the unique ecological needs of each state, the Committee encourages NRCS to work with state and local partners to address these needs and to ensure the priority needs and projects in each state, such as those that are leveraged by public and private resources, are addressed.

Cheat Grass Eradication.—The Committee encourages NRCS to continue to assist farmers and ranchers to eradicate, control, and reduce the fuel loads associated with cheat grass and to collaborate with ARS, as appropriate, on research related to cheat grass.

Community Colleges.—The Committee encourages NRCS to collaborate with our nation's community colleges for the advancement of agriculture and the adoption of technology and conservation practices among producers and landowners. NRCS should target specific funds to highlight the special contributions that community colleges can provide in terms of technical assistance, demonstration, and applied research that is available through their agriculture programs.

Floodplain Buyouts.—The Committee commends the successful efforts of NRCS with voluntary floodplain homeowner buyout projects. The Committee encourages the NRCS to continue collaborative efforts with participating towns and counties to mitigate unintended consequences resulting from buyouts, such as utility cost increases for homeowners in these regions.

Harmful Algal Blooms.—The Committee supports NRCS' ongoing work to prevent soil erosion leading to harmful algal blooms through the introduction of cover crops and encourages continued targeting of watersheds where harmful algal blooms pose a threat.

Herbicide Resistance.—The Committee reminds NRCS of the challenges many producers are facing due to the spread of herbicide-resistant weeds and encourages it to ensure agency staff, partners, and producers are aware of conservation practice standards, conservation activity plans to address herbicide-resistant weeds, and financial assistance available through conservation programs to assist producers in their efforts to control these weeds.

Locally Led Conservation.—The Committee recognizes that locally led conservation is the foundation of the nation's highly successful legacy of conservation and encourages NRCS to work with state, tribal, local, and other partners on voluntary stewardship projects that preserve working agricultural lands while protecting watersheds and wildlife habitat. The Committee also directs NRCS to provide flexibility to State Conservation Officers in determining human resource needs.

Milkweed.—The Committee is concerned about the rapid decline in milkweed for monarch butterfly habitat. The Committee encourages NRCS to consider the increased benefits of restoring milkweed for monarch habitat in fiscal year 2019.

National Marine Sanctuaries.—The Committee urges the agency to continue the collaborative agreement with the Office of National Marine Sanctuaries to address sources of agricultural runoff, such as sediments, nitrates, and pesticides.

Regional Conservation Partnership Program (RCPP).—The Committee commends NRCS for the success of RCPP, through which NRCS provides assistance to producers through partnership agreements, program contracts, or easement agreements. These programs allow for diverse and innovative conservation projects which leverage both public and private funding. The Committee encourages NRCS to consider the needs of organic farmers, who implement a wide variety of creative methods to improve water quality and enhance the environment, while implementing RCPP.

Resource Conservation and Development Councils (RC&Ds).—The Committee recognizes RC&Ds have been valuable partners in conservation and encourages NRCS to continue working with local councils, as appropriate, to ensure conservation programs meet local resource needs.

Sage Grouse Initiative.—The Committee supports NRCS' sage grouse conservation efforts. Through the initiative, NRCS provides technical and financial assistance to help landowners conserve sage grouse habitat on their land. The initiative is an integral part of efforts by federal agencies, several western states, and private landowners to help preclude the listing of the sage grouse as an endangered species.

Sustainable Water Use.—Increasing water demand has raised concerns about the sustainability of agricultural water resources in the United States. The Committee believes sustainable water resources research focused on crop drought resistance, watershed modelling and developing efficient sensor-based irrigation systems will help to mitigate the effects of increases in demand. The Committee encourages the Department to work with academia in these areas to develop new conservation and irrigation techniques to reduce water usage in agriculture production.

WATERSHED AND FLOOD PREVENTION OPERATIONS

2018 appropriation	\$150,000,000
2019 budget estimate	---
Provided in the bill	150,000,000
Comparison:	
2018 appropriation	---
2019 budget estimate	+150,000,000

COMMITTEE PROVISIONS

For the Watershed and Flood Prevention Operations, the Committee provides an appropriation of \$150,000,000.

WATERSHED REHABILITATION PROGRAM

2018 appropriation	\$10,000,000
2019 budget estimate	---
Provided in the bill	10,000,000
Comparison:	
2018 appropriation	---
2019 budget estimate	+10,000,000

COMMITTEE PROVISIONS

For the Watershed Rehabilitation Program, the Committee provides an appropriation of \$10,000,000.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

2018 appropriation	¹ \$8,913,000,000
2019 budget estimate	¹ 8,687,000,000
Provided in the bill	¹ 8,687,000,000
Comparison:	
2018 appropriation	- 226,000,000
2019 budget estimate	---

¹ Current indefinite appropriation.

COMMITTEE PROVISIONS

For the Federal Crop Insurance Corporation Fund, the Committee provides an appropriation of such sums as may be necessary (estimated to be \$8,687,000,000 in the President's fiscal year 2019 budget request).

COMMODITY CREDIT CORPORATION FUND
REIMBURSEMENT FOR NET REALIZED LOSSES
(INCLUDING TRANSFERS OF FUNDS)

2018 appropriation	¹ \$14,284,847,000
2019 budget estimate	¹ 15,410,000,000
Provided in the bill	¹ 15,410,000,000
Comparison:	
2018 appropriation	+1,125,153,000
2019 budget estimate	-- --

¹Current indefinite appropriation.

COMMITTEE PROVISIONS

For Reimbursement for Net Realized Losses to the Commodity Credit Corporation, the Committee provides such sums as may be necessary to reimburse for net realized losses sustained but not previously reimbursed (estimated to be \$15,410,000,000 in the President's fiscal year 2019 budget request).

HAZARDOUS WASTE MANAGEMENT
(LIMITATION ON EXPENSES)

2018 limitation	(\$5,000,000)
2019 budget estimate	(5,000,000)
Provided in the bill	(5,000,000)
Comparison:	
2018 limitation	-- --
2019 budget estimate	-- --

COMMITTEE PROVISIONS

For Hazardous Waste Management, the Committee provides a limitation of \$5,000,000.

TITLE III
RURAL DEVELOPMENT PROGRAMS
RURAL DEVELOPMENT SALARIES AND EXPENSES
(INCLUDING TRANSFERS OF FUNDS)

	FY 2018 enacted	FY 2019 estimate	Committee provision
Appropriations	\$230,835,000	\$156,054,000	\$236,835,000
Transfer from:			
Rural Housing Insurance Fund Program Account	412,254,000	244,249,000	412,254,000
Rural Community Facilities Program Account	-- --	147,591,000	-- --
Rural Development Loan Fund Program Account	4,468,000	-- --	4,468,000
Rural Electrification and Telecommunications Loan Program Account	33,270,000	38,027,000	33,270,000
Distance Learning, Telemedicine, and Broadband Program	-- --	8,057,000	-- --
Rural Water and Waste Program	-- --	18,149,000	-- --
Total, RD Salaries and Expenses	\$680,827,000	\$612,127,000	\$686,827,000

COMMITTEE PROVISIONS

For Salaries and Expenses of the Rural Development mission area, the Committee provides an appropriation of \$236,835,000.

The Committee provides \$6,000,000 for information technology modernization needed for Rural Development systems.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

[Dollars in Thousands]

	Loan level	Subsidy level	Administrative expenses
2018 Appropriation	\$25,441,855	\$63,126	\$412,254
2019 Budget Estimate	24,260,000	---	244,249
Provided in the Bill	25,345,500	69,362	412,254
Comparison:			
2018 Appropriation	- 96,355	+6,236	---
2019 Budget Estimate	+\$1,085,500	+\$69,362	+\$168,005

COMMITTEE PROVISIONS

For the Rural Housing Insurance Fund program account, the Committee provides a loan level of \$25,345,500,000.

Rural Definition.—Communities need transparency and deserve to understand the criteria that are evaluated when determining eligibility for Rural Housing Service (RHS) programs. The Committee directs RHS to submit a report listing the criteria used to define “rural in character” in determining program eligibility.

The following table reflects the loan levels for the Rural Housing Insurance Fund program account:

[Dollars in Thousands]

	FY 2018 enacted	FY 2019 estimate	Committee provision
Rural Housing Insurance Fund Loans:			
Single Family Housing (sec. 502):			
Direct	\$1,100,000	\$---	\$1,000,000
Unsubsidized Guaranteed	24,000,000	24,000,000	24,000,000
Housing Repair (sec. 504)	28,000	---	28,000
Rental Housing (sec. 515)	40,000	---	40,000
Multi-family Guaranteed (sec. 538)	230,000	250,000	230,000
Site Development Loans	5,000	---	5,000
Credit Sales of Acquired Property	10,000	10,000	10,000
Self-help Housing Land Development Fund	5,000	---	5,000
Farm Labor Housing	23,855	---	27,500
Total, Loan Authorization	\$25,441,855	\$24,260,000	\$25,345,500

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

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

[Dollars in Thousands]

	FY 2018 enacted	FY 2019 estimate	Committee provision
Rural Housing Insurance Fund Program Account (Loan Subsidies and Grants):			
Single Family Housing (sec. 502):			
Direct	\$42,350	---	\$49,000
Housing Repair (sec. 504)	3,452	---	3,418
Rental Housing (sec. 515)	10,524	---	9,484

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS—Continued

[Dollars in Thousands]

	FY 2018 enacted	FY 2019 estimate	Committee provision
Farm Labor Housing	6,374	---	6,853
Site Development (sec. 524)	58	---	176
Self-Help Land (sec. 523)	368	---	431
Total, Loan Subsidies	63,126	---	69,362
Farm Labor Housing Grants	8,336	---	10,000
RHIF Expenses:			
Administrative Expenses	\$412,254	\$244,249	\$412,254

RENTAL ASSISTANCE PROGRAM

2018 appropriation	\$1,345,293,000
2019 budget estimate	1,331,400,000
Provided in the bill	1,331,400,000
Comparison:	
2018 appropriation	- 13,893,000
2019 budget estimate	---

COMMITTEE PROVISIONS

For the Rental Assistance Program, the Committee provides a program level of \$1,331,400,000.

MULTIFAMILY HOUSING REVITALIZATION PROGRAM ACCOUNT

2018 appropriation	\$47,000,000
2019 budget estimate	20,000,000
Provided in the bill	53,000,000
Comparison:	
2018 appropriation	+6,000,000
2019 budget estimate	+33,000,000

For the Multifamily Housing Revitalization Program Account, the Committee provides an appropriation of \$53,000,000, including \$28,000,000 for the rural housing voucher program.

The Committee does not accept the proposal to move the voucher and multifamily housing revitalization programs; however, the Committee wishes to further consider this proposal for future years.

MUTUAL AND SELF-HELP HOUSING GRANTS

2018 appropriation	\$30,000,000
2019 budget estimate	---
Provided in the bill	30,000,000
Comparison:	
2018 appropriation	---
2019 budget estimate	+30,000,000

COMMITTEE PROVISIONS

For the Mutual and Self-Help Housing program, the Committee provides an appropriation of \$30,000,000.

RURAL HOUSING ASSISTANCE GRANTS

2018 appropriation	\$40,000,000
2019 budget estimate	---
Provided in the bill	45,000,000
Comparison:	
2018 appropriation	+5,000,000
2019 budget estimate	+45,000,000

COMMITTEE PROVISIONS

For the Rural Housing Assistance Grants program, the Committee provides an appropriation of \$45,000,000, including \$15,000,000 for rural housing preservation grants.

The Committee encourages USDA to consider utilizing resources to address families or individuals that have straight-pipe septic systems or an individual sewage treatment system that fail to meet state or federal requirements.

RURAL COMMUNITY FACILITIES PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

2018 appropriation	\$48,627,000
2019 budget estimate	147,591,000
Provided in the bill	43,778,000
Comparison:	
2018 appropriation	– 4,849,000
2019 budget estimate	– 103,813,000

COMMITTEE PROVISIONS

For the Rural Community Facilities Program Account, the Committee provides an appropriation of \$43,778,000.

The Committee continues to take the Rural Development administrative expense transfer from the Rural Housing Insurance Fund (RHIF) and does not accept the proposed transfer from the Rural Community Facilities program account.

Power Plus.—The Committee encourages USDA to give consideration to Community Facility investments in coal communities that have been negatively impacted by changes in the coal industry and power sector.

The following table provides the Committee's recommendations as compared to the budget request:

[Dollars in Thousands]

	FY 2018 enacted	FY 2019 estimate	Committee provision
Loan Levels:			
Community Facility Direct Loans	(\$2,800,000)	(\$3,500,000)	(\$2,800,000)
Community Facility Guaranteed Loans	(148,287)	---	(200,000)
Subsidy and Grants:			
Community Facility Guaranteed Loans	4,849	---	---
Community Facility Grants	30,000	---	30,000
Rural Community Development Initiative	4,000	---	4,000
Economic Impact Initiative	5,778	---	5,778
Tribal College Grants	4,000	---	4,000
Administrative Expense Transfer	---	147,591	---
Total, Rural Community Facilities Program Subsidy and Grants	\$48,627	\$147,591	\$43,778

RURAL BUSINESS–COOPERATIVE SERVICE
RURAL BUSINESS PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

2018 appropriation	\$77,342,000
2019 budget estimate	---
Provided in the bill	67,215,000
Comparison:	
2018 appropriation	- 10,127,000
2019 budget estimate	+67,215,000

COMMITTEE PROVISIONS

For the Rural Business Program Account, the Committee provides an appropriation of \$67,215,000.

The Committee provides resources to operate programs under the Rural Business-Cooperative Service (RBS). RBS programs complement lending activities of the private sector by promoting economic prosperity in rural communities through improved access to capital and economic development on a regional scale.

The following table provides the Committee’s recommendations as compared to the budget request:

(Dollars in Thousands)

	FY 2018 enacted	FY 2019 estimate	Committee provision
Loan Level:			
Business and Industry Guaranteed Loans	(\$919,765)	---	(\$950,000)
Subsidy and Grants:			
Business and Industry Guaranteed Loans	37,342	---	28,215
Rural Business Development Grants	34,000	---	34,000
Delta Regional Authority/Appalachian Regional Commission	6,000	---	5,000
Total, Rural Business Program Subsidy and Grants	\$77,342	\$- --	\$67,215

The following programs are included in the bill for the Rural Business Program account: \$500,000 for rural transportation technical assistance and \$4,000,000 for Federally Recognized Native American Tribes, of which \$250,000 is for transportation technical assistance.

INTERMEDIARY RELENDING PROGRAM FUND ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

(Dollars in Thousands)

	Loan level	Subsidy level	Administrative expenses
2018 Appropriation	\$18,889	\$4,361	\$4,468
2019 Budget Estimate	---	---	---
Provided in the Bill	20,000	4,402	4,468
Comparison:			
2018 Appropriation	+1,111	+41	---
2019 Budget Estimate	+\$20,000	+\$4,402	+\$4,468

COMMITTEE PROVISIONS

For the Intermediary Relending Program Fund Account, the Committee provides for a loan level of \$20,000,000.

For the loan subsidy, the Committee provides an appropriation of \$4,402,000. In addition, the Committee provides \$4,468,000 for administrative expenses.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT
(INCLUDING RESCISSION OF FUNDS)

	Loan level
2018 Appropriation	\$45,000,000
2019 Budget Estimate	---
Provided in the Bill	50,000,000
Comparison:	
2018 Appropriation	+5,000,000
2019 Budget Estimate	+\$50,000,000

COMMITTEE PROVISIONS

For the Rural Economic Development Loans Program Account, the Committee provides for a loan level of \$50,000,000.

Review and Selection Process.—The Committee recognizes that demand for the Rural Economic Development Loan and Grant Program remains high. The Committee encourages the Rural Business-Cooperative Service to award funds on a first-come first-serve basis, after taking all other eligibility requirements into account, and not the prioritization system utilized in fiscal year 2016. The Committee supports utilizing a first-come, first-serve award system as the most expeditious means to award funds to eligible projects.

RURAL COOPERATIVE DEVELOPMENT GRANTS

2018 appropriation	\$27,550,000
2019 budget estimate	---
Provided in the bill	27,550,000
Comparison:	
2018 appropriation	---
2019 budget estimate	+27,550,000

COMMITTEE PROVISIONS

For Rural Cooperative Development Grants, the Committee provides an appropriation of \$27,550,000. This total includes \$2,750,000 for a cooperative agreement for the Appropriate Technology Transfer for Rural Areas program and \$16,000,000 for the value-added agricultural product market development grant program.

RURAL ENERGY FOR AMERICA PROGRAM

2018 appropriation	\$293,000
2019 budget estimate	---
Provided in the bill	334,500
Comparison:	
2018 appropriation	+41,500
2019 budget estimate	+334,500

COMMITTEE PROVISIONS

For the Rural Energy for America Program, the Committee provides a loan level of \$7,500,000 and an appropriation of \$334,500 for the loan subsidy to make loans as authorized by section 9007

of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107).

RURAL UTILITIES SERVICE

RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

2018 appropriation	\$560,263,000
2019 budget estimate	— —
Provided in the bill	637,690,000
Comparison:	
2018 appropriation	+77,427,000
2019 budget estimate	+637,690,000

COMMITTEE PROVISIONS

For the Rural Water and Waste Disposal Program Account, the Committee provides an appropriation of \$637,690,000. Rural areas continue to face immense needs and challenges in attaining safe and clean water, and the USDA Water and Waste Disposal program provides targeted and coordinated support for these communities and is essential for the delivery of safe, dependable and affordable water and wastewater to rural America. The Committee believes this program is complementary, not duplicative of other federal programs and critical in supporting quality of life, economic development and health to rural communities.

Water Supplies for Very Small Communities.—The Committee is aware of concerns that RUS grant programs do not adequately help small, disadvantaged, and severely disadvantaged communities access the funding and expertise necessary to develop sustainable water supplies or otherwise improve their wastewater systems, and it directs the agency to focus its efforts to assist these communities with predevelopment planning to help them address their water supply needs.

Carryover Balances for AK, HI, and Colonias Grants.—The Committee urges the Department to prioritize projects based on need and project readiness and reminds the Department to utilize re-programming flexibilities as a way to allocate funds in a more efficient and expeditious manner.

Open and Free Competition Policy.—The Committee supports the Department's underlying adherence to free and open competition on water and waste projects as contained in 7 CFR 1780.70(b) and (d). The Committee supports efforts to eliminate arbitrary actions in the procurement process but is concerned that the Department is undermining the ability of local communities and the engineer of record to design water and wastewater projects in the manner that best serves the unique needs and considerations of local communities. In particular, the Committee is concerned about the May 17, 2012, memorandum and the implementation of pipe materials. The Committee believes that the Department must apply its policy uniformly to all building materials but is concerned with the Department requirements that would unnecessarily delay projects by including onerous approval processes. Communities and professional engineers are different and specify the pipe materials that best suit the needs of their community and project. These communities and engineers, therefore make different determinations de-

pending on what is suited for a given community, including the existence of applicable federal, state, or local ordinances or standard specifications. The Committee directs the Department to defer to the engineer of record in the design and choice of materials and other technical specifications that meet nationally recognized standards absent extraordinary circumstances demonstrating arbitrary action.

Domestic Preference.—The bill includes language specifying that RUS' Rural Water and Waste Disposal program account that projects utilizing iron and steel shall use iron and steel products produced in the United States. RUS shall apply the Environmental Protection Agency's definition of public water systems while implementing the domestic preference provision.

Sewage Management.—The Committee supports the development of a multi-faceted solution to the epidemic of raw sewage discharge in rural communities.

Minimum Broadband Speed.—The Committee directs the Department to continue requiring applicants to provide a minimum broadband speed that is twenty-five (25) megabits downstream and (3) megabits upstream to every customer in the proposed funded service area for all broadband loan and grant programs.

The following table provides the Committee's recommendations as compared to the budget request:

[Dollars in Thousands]

	FY 2018 enacted	FY 2019 estimate	Committee provision
Loan Levels:			
Water and Waste Direct Loans	(\$1,200,000)	(1,200,000)	(\$1,400,000)
Water and Waste Guaranteed Loans	(50,000)	---	(50,000)
Subsidy and Grants:			
Direct Subsidy	2,040	---	---
Guaranteed Subsidy	230	---	190
Water and Waste Revolving Fund	1,000	---	1,000
Water Well System Grants	993	---	1,500
Grants for the Colonias and AK/HI	68,000	---	65,000
Water and Waste Technical Assistance Grants	40,000	---	22,000
Circuit Rider Program	19,000	---	19,000
Solid Waste Management Grants	4,000	---	4,000
High Energy Cost Grants	10,000	---	10,000
Water and Waste Disposal Grants	400,000	---	500,000
306A(i)(2) Grants	15,000	---	15,000
Total, Subsidies and Grants	\$560,263	\$---	\$637,690

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM
ACCOUNT**

(INCLUDING TRANSFER OF FUNDS)

[Dollars in Thousands]

	Loan level	Subsidy level	Administrative expenses
2018 Appropriation	\$6,940,000	\$863	\$33,270
2019 Budget Estimate	6,190,000	863	38,027
Provided in the Bill	6,940,000	1,125	33,270
Comparison:			
2018 Appropriation	---	+262	---
2019 Budget Estimate	+\$750,000	+\$262	-\$4,757

COMMITTEE PROVISIONS

For the Rural Electrification and Telecommunications Loans Program Account, the Committee provides a loan level of \$6,940,000,000. In addition, the Committee provides \$33,270,000 for administrative expenses.

The following table reflects the loan levels for the Rural Electrification and Telecommunications Loans Program Account:

[Dollars in Thousands]

	FY 2018 enacted	FY 2019 estimate	Committee provision
Loan Authorizations:			
Electric:			
Direct, FFB	\$5,500,000	\$5,500,000	\$5,500,000
Guaranteed Underwriting	750,000	---	750,000
Subtotal	6,250,000	5,500,000	6,250,000
Telecommunications:			
Direct, Treasury Rate	345,000	172,600	465,000
Direct, FFB	345,000	517,400	225,000
Total, Loan Authorizations	\$6,940,000	\$6,190,000	\$6,940,000

BROADBAND PROGRAM

[Dollars in Thousands]

	FY 2018 enacted	FY 2019 estimate	Committee provision
Broadband Program:			
Loan Authorization	\$29,851	\$23,149	\$29,851
Loan Subsidy	5,000	4,521	5,830
Grants	30,000	30,000	30,000
Distance Learning and Telemedicine:			
Grants	32,000	23,600	35,000
Total, Loan Subsidy and Grants	\$67,000	\$58,121	\$70,830

COMMITTEE PROVISIONS

For the Broadband Program, the Committee provides an appropriation of \$5,829,900 for a loan authorization level of \$29,851,000.

Healthcare and Education Options.—The Committee continues to support Distance Learning, Telemedicine, and Broadband program grants that assist rural communities in connecting to the rest of the world and overcoming health disparities that effect that population. The Committee urges the Assistant to the Secretary for Rural Development to continue implementing grants that support technology upgrades that provide additional healthcare access and education through the use of telemedicine and expanded services in community health centers through partnerships with hub medical centers.

Tribal Communities.—The Committee notes that tribal communities continue to struggle with gaining access to broadband service. The Committee encourages the Secretary to provide a report that identifies the specific challenges Indian Tribal Organizations (ITOs) have in gaining access to broadband service and provide a plan for addressing these challenges, including how the Community Connect program can assist ITOs.

TITLE IV
DOMESTIC FOOD PROGRAMS

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

2018 appropriation	\$800,000
2019 budget estimate	800,000
Provided in the bill	800,000
Comparison:	
2018 appropriation	---
2019 budget estimate	---

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Food, Nutrition, and Consumer Services, the Committee provides an appropriation of \$800,000.

Public Release of Information.—The Committee directs FNS to continue making all policy documents related to the WIC program (including, but not limited to, instructions, memoranda, guidance, and questions and answers) available to the public on the Internet within one week of their release to WIC state administrators.

Program Eligibility.—The Committee directs FNS to work with states to ensure full compliance with the law mandating that every WIC and SNAP participant meet all program eligibility requirements. FNS is also directed to ensure these programs are not being promoted to ineligible individuals, which would increase program costs.

Program Integrity Efforts.—The Committee appreciates the creation of a new FNS Chief Integrity Officer position to coordinate program integrity efforts across federal nutrition programs while ensuring assistance is available for all eligible participants. In addressing waste, fraud and abuse, the Committee encourages the Department to utilize advanced analytics techniques to protect the integrity of FNS programs.

Innovative Technologies.—The marketplace continues to develop innovative technologies, such as third-party mobile applications, which can assist nutrition program participants in managing their benefits. The Committee encourages USDA to ensure that these new technologies have a secure system in place to protect personal account information, do not access or use information for commercial marketing purposes, and that participants have consistent access to their account information regardless of the means in which they choose to access it.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

INCLUDING TRANSFERS OF FUNDS)

2018 appropriation	\$24,254,139,000
2019 budget estimate	23,146,940,000
Provided in the bill	23,183,512,000
Comparison:	
2018 appropriation	-1,070,627,000
2019 budget estimate	+36,572,000

COMMITTEE PROVISIONS

For the Child Nutrition Programs, the Committee provides \$23,183,512,000, which includes \$30,000,000 for school meals equipment grants and \$28,000,000 for the Summer Electronic Benefits Transfer (EBT) for Children Demonstration. The Committee directs USDA to expand the Summer EBT program into new States and areas.

Financial Management Tools.—School food authorities would benefit from consolidating financial reports that are required in 7 CFR 210.19(a)(1). The tools that are available to help schools meet this requirement can be cumbersome. The Committee directs FNS to provide guidance within 60 days of enactment of this Act on the content of an alternative financial tool that schools may have in place for the purpose of providing the required financial management documentation.

Innovation in School Meals.—The Committee is aware that there are many new, innovative, healthy products available that meet the National School Lunch Program (NSLP) and School Breakfast Program (SBP) nutrition standards, but current policies do not allow schools to get credit for serving such products unless the food component is in its recognizable form. The Committee recognizes that USDA has published a Request for Information regarding the crediting of foods for schools meals and commends these efforts. While USDA continues their process of updating the crediting system, the Committee directs USDA to issue guidance, for the 2018–2019 school year, to allow innovative products made from fruits, vegetables, or legumes, that meet nutrition standards for the food component, but are presented in a form different than the naturally occurring and visibly recognizable form, to be credited and served in the NSLP and SBP.

School Meals.—The Secretary has taken positive steps to provide greater flexibility and restore local control in serving healthy meals. The Committee urges the Secretary to review the regulations on school meals, including school meal patterns such as the requirements around serving dairy products, and smart snacks in schools that will ensure the regulations do not cost schools additional funding, maximizes participation, and maintains healthy requirements in schools. As a part of this review the Secretary shall look at research that is based on student-age individuals and shall consult with local stakeholders, including school superintendents, school board members, school leaders, and school food service personnel.

Food waste also remains a concern in the school meals program. Schools should have the ability to serve leftover compliant foods in a quick, timely manner in accordance with food safety requirements. The Committee urges USDA to consider implementing flexibilities in allowing schools to utilize these foods in a more efficient manner.

School Breakfast Commodities.—Under current regulations, vegetables may be substituted to meet the fruit requirement in the breakfast meal pattern as long as schools offer non-starchy vegetables first. To provide students with more vegetable options at breakfast, the Secretary should allow any variety of vegetable to be served in the school breakfast program, without such restrictions.

The Committee directs USDA to implement this policy change for the 2018–2019 school year.

Summer Food Service Program (SFSP).—OIG has been conducting an audit of the SFSP, publishing several interim reports describing food safety issues at some SFSP sponsor sites. The OIG’s March 2018 audit report titled ‘FNS Controls over Summer Food Service Program’ found that FNS needs to strengthen its monitoring and oversight procedures of the States, improve its assessment of risk for improper payments, and reassess FNS’ authority to grant nationwide waivers of SFSP regulations through policy memoranda. FNS generally concurred with all of OIG’s findings and recommendations. The Committee directs FNS to provide a report describing how the agency will take corrective actions.

Unpaid School Lunch Fees.—The Committee is concerned with reports that some students with unpaid school lunch fees are treated unfairly and being publicly embarrassed. The Committee directs the Secretary to issue recommended standards schools may adopt to address the issue of shaming school children for unpaid school lunch fees, including standards that protect children from public embarrassment; that strongly encourage all communications about unpaid school lunch fees be directed at the parent or guardian, not the child; and that encourage schools to take additional steps to work with families falling behind in their school lunch fees.

The following table reflects the Committee recommendations for the child nutrition programs:

[Dollars in Thousands]

Child Nutrition Programs:	
School Lunch Program	\$11,713,000
School Breakfast Program	5,081,770
Child and Adult Care Food Program	3,933,393
Summer Food Service Program	519,461
Special Milk Program	8,777
State Administrative Expenses	302,906
Commodity Procurement	1,473,874
Food Safety Education	2,929
Coordinated Review	10,000
Computer Support and Processing	12,124
Training and Technical Assistance	13,935
CNP Studies and Evaluations	21,639
CN Payment Accuracy	11,203
Farm to School Team	3,497
Team Nutrition	15,504
Healthier U.S. Schools Challenge	1,500
School Meals Equipment Grants	30,000
Summer EBT Demonstration	28,000
<i>Total</i>	\$23,183,512

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS,
AND CHILDREN (WIC)

2018 appropriation	\$6,175,000,000
2019 budget estimate	5,750,000,000
Provided in the bill	6,000,000,000
Comparison:	
2018 appropriation	– 175,000,000
2019 budget estimate	+250,000,000

COMMITTEE PROVISIONS

For the Special Supplemental Nutrition Program for Women, Infants, and Children, the Committee provides an appropriation of \$6,000,000,000. The Committee provides for continuation of the breastfeeding peer counselor program and infrastructure. The Committee encourages FNS to support innovative technologies that can improve rural and urban participants' access to lactation consultants particularly outside of normal WIC clinic business hours.

USDA data shows that WIC participation rates have decreased steadily since fiscal year 2010. The President's budget request includes a projection of an average monthly participation rate of 6.9 million women, infants, and children for fiscal year 2019, yet rates are currently averaging 7 million participants per month.

USDA is estimating recovery and carryover funds to be higher than average. Furthermore, the Secretary has a sufficient WIC contingency reserve fund as a safety net to meet unexpected demand. With lower participation rates, higher carryover funds, and an ample reserve fund, the Committee provides funding that will ensure all eligible participants will be served. The Committee will continue to monitor WIC participation, carryover funds, and food costs and take additional action as necessary to ensure that funding provided in fiscal year 2019 remains sufficient to serve all eligible applicants.

Zika Outreach and Education.—The Committee is supportive of ensuring pregnant women are educated on the various methods for preventing exposure to the Zika virus during pregnancy. The Committee directs the Department, in consultation with the CDC, to either continue or expand its education and outreach efforts through the WIC program to provide pregnant women with the information they need to prevent Zika.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

2018 appropriation	\$74,013,499,000
2019 budget estimate	73,218,276,000
Provided in the bill	73,219,274,000
Comparison:	
2018 appropriation	– 794,225,000
2019 budget estimate	+998,000

COMMITTEE PROVISIONS

For the Supplemental Nutrition Assistance Program, the Committee provides \$73,219,274,000. The total amount includes \$3,000,000,000 for a contingency reserve to be used only in the amount necessary.

Electronic Benefit Transfer (EBT) Equipment.—The Committee is aware that some farmers markets and farmers selling directly to consumers are interested in EBT equipment that operates for a variety of federal nutrition programs. FNS is encouraged to assist farmers markets and direct-selling farmers in obtaining EBT equipment that allows participation in both SNAP and WIC. Additionally, FNS is encouraged to allow non-profit organizations operating multiple farmers markets to use one EBT device at multiple approved market locations.

Household Certification Periods.—The Committee recognizes the certification period structure in the SNAP program attempts to bal-

ance administration effort with sufficient program integrity. States are granted significant flexibility in determining certification lengths and reporting requirements for certain households. Current regulation at 7 CFR 273.10(f)(3) requires that households with “unstable circumstances such as households with zero net income” should have certification periods “consistent with their circumstances.” There is concern that some households (excluding those with an elderly or disabled individual) reporting zero net income may have lengthy certification periods without a review to verify their income status. The Committee directs USDA to review the state practice of assigning lengthy certification periods of 6 months to a year to households with zero net income or that fit the “unstable circumstances” category described in regulation. The review and report should explore whether assigning lengthy certification periods is related to higher rates of inappropriate eligibility and overpayments.

Recruitment Activities.—The Committee continues to direct USDA to ensure that Section 4018 of the 2014 Farm Bill is implemented and enforced in a manner consistent with the statute which prohibits USDA from conducting recruitment activities, advertising the program, or entering into agreements with foreign governments to promote SNAP benefits. The Committee continues to direct USDA to enforce this provision to ensure that state agencies are not reimbursed for such activities consistent with the statute.

SNAP Employment and Training (E&T) Program.—The Committee supports efforts to assist SNAP participants in moving to self-sufficiency through meaningful employment opportunities. There is interest in clarifying the policy that would allow States to voluntarily choose whether or not to screen those who participate in the SNAP E&T program for drug use if the job they are training for would require a drug test. Such drug screening would not be used to determine eligibility to receive SNAP assistance, per the underlying statute. The Committee directs USDA to clarify the proper role of drug screening in SNAP E&T programs by issuing guidance within 60 days of enactment of this Act that is consistent with the Food and Nutrition Act of 2008.

SNAP Report.—Not later than 12 months after the date of enactment of this Act, the Secretary shall submit a report to the Committees on Appropriations estimating the impact that using the low-cost food plan would have on reducing hunger among SNAP participants.

The following table reflects the Committee recommendations for SNAP:

[Dollars in Thousands]

Supplemental Nutrition Assistance Program Account:	
Benefits	\$62,065,748
Contingency Reserve	3,000,000
<i>Administrative Costs:</i>	
State Administrative Costs	4,604,463
Nutrition Education and Obesity Prevention Grant Program	428,000
Employment and Training	486,607
Mandatory Other Program Costs	190,504
Discretionary Other Program Costs	998
Administrative Subtotal	5,710,572
Nutrition Assistance for Puerto Rico (NAP)	1,961,927

[Dollars in Thousands]

American Samoa	7,879
Food Distribution Program on Indian Reservations	153,000
TEFAP Commodities	294,000
Commonwealth of the Northern Mariana Islands	12,148
Community Food Project	9,000
Program Access	5,000
Subtotal	2,442,954
Total	\$73,219,274

COMMODITY ASSISTANCE PROGRAM

2018 appropriation	\$322,139,000
2019 budget estimate	55,471,000
Provided in the bill	306,910,000
Comparison:	
2018 appropriation	- 15,229,000
2019 budget estimate	+251,439,000

COMMITTEE PROVISIONS

The Committee provides an appropriation of \$306,910,000 for the Commodity Assistance Program. The recommended funding level for the Commodity Supplemental Food Program is \$222,891,000 to continue this critical program serving the elderly. The amount provided fully funds expected caseload.

The Committee recommendation continues to provide \$18,548,000 for the Farmers' Market Nutrition Program and \$64,401,000 for administrative funding for The Emergency Food Assistance Program (TEFAP). For the Food Donations Programs, the Committee provides an appropriation of \$1,070,000 for Pacific Island Assistance.

TEFAP Handling and Distribution Costs.—In addition to grant funds supporting commodity handling and distribution costs, the bill permits states to use up to 15 percent of the funds provided for purchasing TEFAP commodities to help with the costs of storing, transporting, and distributing commodities. The Committee expects state agencies to consult with their emergency feeding organizations on the need for the conversion of such funds.

NUTRITION PROGRAMS ADMINISTRATION

2018 appropriation	\$153,841,000
2019 budget estimate	160,838,000
Provided in the bill	162,838,000
Comparison:	
2018 appropriation	+8,997,000
2019 budget estimate	+2,000,000

COMMITTEE PROVISIONS

For Nutrition Programs Administration, the Committee provides \$162,838,000, including \$2,000,000 to continue the Congressional Hunger Center Fellows Program.

Dietary Guidelines for Americans.—The Committee applauds the leadership of USDA in implementing recommendations from the National Academies of Science, Engineering, and Medicine's (NASEM) report entitled 'Redesigning the Process for Establishing the Dietary Guidelines for Americans' issued September 2017. The Committee directs USDA to continue a transparent process in for-

mulating the 2020 Guidelines that stays within the scope of the law. USDA is strongly encouraged to use a more rigorous scientific process, by prioritizing randomized controlled clinical trials such as what was recommended by the NASEM report, and to manage conflicts of interests in establishing a balanced Advisory Committee. USDA is encouraged to include recommendations in the DGA that is based on more rigorous science. Furthermore, the 2020 Guidelines shall, to the extent practicable, include information and dietary patterns designed to help people suffering from metabolic diseases such as obesity, diabetes, and heart disease.

TITLE V

FOREIGN ASSISTANCE AND RELATED PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR TRADE AND FOREIGN AGRICULTURAL AFFAIRS

2018 appropriation	\$875,000
2019 budget estimate	875,000
Provided in the bill	875,000
Comparison:	
2018 appropriation	---
2019 budget estimate	---

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Trade and Foreign Agricultural Affairs, the Committee provides an appropriation of \$875,000.

OFFICE OF CODEX ALIMENTARIUS

2018 appropriation	\$3,796,000
2019 budget estimate	3,796,000
Provided in the bill	3,796,000
Comparison:	
2018 appropriation	---
2019 budget estimate	---

COMMITTEE PROVISIONS

For the Office of Codex Alimentarius, the Committee provides an appropriation of \$3,796,000.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

	Appropriation	Transfer from export loan account	Total
2018 appropriation	\$199,666,000	\$6,382,000	\$206,048,000
2019 budget estimate	193,085,000	6,717,000	199,802,000
Provided in the bill	204,138,000	6,717,000	210,855,000
Comparison:			
2018 appropriation	+4,472,000	+335	+4,807,000
2019 budget estimate	+\$11,053,000	\$- - -	+\$11,053,000

COMMITTEE PROVISIONS

For the Foreign Agricultural Service, the Committee provides an appropriation of \$204,138,000 and transfer of \$6,717,000, for a total appropriation of \$210,855,000.

The Committee provides increases in funding for International Cooperative Administrative Support Services, Capital Security Cost Sharing, Locally Employed Staff, monitoring and enforcement of trade agreements, and \$3,000,000 above estimated amounts for the Country Strategy Support Fund. The Committee accepts reductions in FTE from attrition not to exceed \$10,322,000. The Committee supports the establishment of the Interagency Trade Policy Committee.

Farmer-to-Farmer.—The Global Food Security Strategy presents an integrated whole-of-government approach to food security, with the U.S. Agency for International Development (USAID) in the lead on coordinating efforts between federal agencies, multilateral organizations, and other governments. The Committee appreciates the leadership role of the USDA in global food security and its value-added contributions related to capacity building, basic and applied research programs, and the promotion of science-based policies and regulations that expand agricultural markets and trade. The Committee directs that USDA enhance the John Ogonowski and Doug Bereuter Farmer-to-Farmer program by expanding the role of the agricultural officer in Target Countries, determined in accordance with the Global Food Security Act. The agricultural officer shall have or shall be provided with training to enhance the important role of the USAID and USDA in achieving food security in Target Countries. The Committee also directs that the USDA agriculture officer in the expanded role collaborate with the Farmer-to-Farmer program staff and the USAID staff working on food security programs, and with land grant universities and agricultural extension services active in the Target Countries to seek to leverage their expertise in achieving the food security goals of Farmer-to-Farmer.

U.S.-Central America, Mexico Cooperation.—The Committee directs the agency to work with its counterparts in Central America and Mexico to develop an agricultural working group improving the efficiency of the inspection process, the trade supply chain, and transportation costs, among other issues. In addition, the agency shall use existing programs for academic exchanges in agriculture related fields of study in this region. The agency shall brief the Committee within 180 days of the date of enactment on current efforts in these areas.

FOOD FOR PEACE TITLE I DIRECT CREDIT AND FOOD FOR PROGRESS
PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

2018 appropriation	\$149,000
2019 budget estimate	142,000
Provided in the bill	142,000
Comparison:	
2018 appropriation	– 7,000
2019 budget estimate	– – –

COMMITTEE PROVISIONS

For administrative expenses to carry out the credit program of Food for Peace Title I, Food for Peace Act, and the Food for Progress Act, the Committee provides an appropriation of \$142,000.

The Committee provides a one-time increase to the Food for Progress Program account, as authorized, of \$35,000,000 to restore funding reductions in previous years and meet increased program demand.

FOOD FOR PEACE TITLE II GRANTS

2018 appropriation	\$1,600,000,000
2019 budget estimate	---
Provided in the bill	1,500,000,000
Comparison:	
2018 appropriation	- 100,000,000
2019 budget estimate	+1,500,000,000

COMMITTEE PROVISIONS

For Food for Peace Title II grants, the Committee provides \$1,500,000,000, of which \$350,000,000 is for non-emergency assistance.

Central American Food Assistance.—The Committee directs the Administrator of the USAID to continue briefing the Committee on its efforts, including the amount and type of food aid, in Central America. The Agency shall report on the implementation plan for measures within 90 days of enactment of the Act.

Food for Peace Title II.—As the causes of food insecurity differ widely between communities, countries, and regions, it is important that U.S.-funded food assistance programs be able to implement solutions to food insecurity and undernutrition. U.S.-sourced commodities will remain a core component of humanitarian relief. The committee supports the continued funding of U.S. food assistance programs. Given the level and scale of complex international humanitarian disasters, and the fact that population needs and contexts differ widely among crises, the Committee recognizes the proper forums for debate of these programs remains the Congressional authorization process.

MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD

NUTRITION PROGRAM GRANTS

2018 appropriation	\$207,626,000
2019 budget estimate	---
Provided in the bill	207,626,000
Comparison:	
2018 appropriation	---
2019 budget estimate	+207,626,000

COMMITTEE PROVISIONS

For McGovern-Dole International Food for Education and Child Nutrition Program Grants, the Committee provides an appropriation of \$207,626,000.

COMMODITY CREDIT CORPORATION EXPORT (LOANS)
CREDIT GUARANTEE PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

2018 appropriation	\$8,845,000
2019 budget estimate	7,052,000
Provided in the bill	9,180,000
Comparison:	
2018 appropriation	+335,000
2019 budget estimate	+2,128,000

COMMITTEE PROVISIONS

For administrative expenses of the Commodity Credit Corporation Export Loans Credit Guarantee Program Account, the Committee provides an appropriation of \$9,180,000.

TITLE VI

RELATED AGENCIES AND FOOD AND DRUG
ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

(Dollars in Thousands)

	Appropriation	User fees	Total, FDA S&E
2018 Appropriation	\$2,800,078	\$2,337,963	\$5,138,041
2019 Budget Estimate	3,171,920	2,460,221	5,632,141
Provided in the Bill	3,107,789	2,460,221	5,568,010
Comparison:			
2018 Appropriation	+307,711	+122,258	+429,969
2019 Budget Estimate	-\$64,131	---	-\$64,131

The Committee provides an appropriation of \$3,107,789,000 in new budget authority for the FDA. In addition, the Committee recommends the following user fee amounts: \$960,568,000—prescription drugs; \$196,668,000—medical devices; \$501,396,000—human generic drugs; \$40,922,000—biosimilar biologicals; \$30,331,000—animal drugs; \$18,336,000—animal generic drugs; and \$712,000,000—tobacco products. The combination of new budget authority and definite user fees provides the FDA with a total discretionary salaries and expenses level of \$5,568,010,000. This total does not include permanent, indefinite user fees for: the Mammography Quality Standards Act; Export Certification; Priority Review Vouchers for Pediatric Disease; Food and Feed Recall; Food Reinspection; Voluntary Qualified Importer Program; the Third Party Auditor Program; and Outsourcing Facilities.

The Committee recommendation includes a net increase of \$307,711,000, including increases for the following programs or initiatives: \$30,000,000 to assist FDA confront the opioid crisis; \$38,500,000 to Promote Domestic Manufacturing; \$12,000,000 for a New Domestic Drug Industry; \$12,000,000 for MedTech Manufacturing; \$60,000,000 for New Medical Data Enterprise; \$40,000,000 for the Growth and Transformation of Digital Health; \$50,000,000

for New Platform for Drug Development, including a \$5,000,000 increase for FDA's Oncology Center for Excellence; \$27,000,000 for Modernizing Generic Drug Development and Review; and \$20,000,000 for Investment and Innovation for Rare Diseases. The \$30,000,000 provided to combat the opioid epidemic is in addition to the \$94,000,000 included in the fiscal year 2018 Consolidated Appropriations Act.

The Committee's recommendation of an increase in excess of \$300,000,000 for medical product safety is intended to support the advancement of medical innovation and competition as well as make investments in regulatory science that can reduce uncertainty for innovators, spur investment in new industries, provide principles for the safe and effective development of new technologies, and most importantly, improve the safety and effectiveness of medicine to the patient and consumer. Of particular interest to the Committee, is the opportunity for FDA to facilitate advancements in the manufacturing of safe and effective therapeutics, including continuous manufacturing of drugs and biological products. The expected outcomes of these initiatives include lower healthcare costs; the development of new industries with an increase in U.S.-based jobs; improved treatment and diagnostic options for patients; and manufacturing advances that are lower cost, higher quality, and more predictable.

The Committee recommendation does not include proposed user fee increases for Export Certification and Over-the-Counter Monograph until such fees are authorized in law.

The Committee does not include funding for a civilian pay increase across the agency. Should the President provide a civilian pay increase for fiscal year 2019, it is assumed that the cost of such a pay increase will be absorbed within existing appropriations for fiscal year 2019.

The Committee recommendation maintains FY 2018 Consolidated Appropriation Act funding levels for the medical countermeasures initiative.

Food Safety and the Food Safety Modernization Act Funding.—The Government Accountability Office (GAO) released a report in January of this year entitled "Food Safety and Nutrition: FDA Can Build on Existing Efforts to Measure Progress and Implement Key Activities." The report documents spending and shows a steady increase in spending for food safety due in part to Congressional spending increases. FDA has spent over a billion dollars a year since 2011. With increases of \$36 million in FY 2017 and \$10.5 million in FY 2018, FDA will likely spend \$9.5 billion on food safety over these eight years. A majority of this spending relates to activities surrounding the Food Safety Modernization Act (FSMA) development and implementation activities.

With this level of funding on the Federal side and billions more invested by the private sector, Congress and the American people need to see results in terms of reduced illnesses, hospitalizations and deaths. The Committee directs FDA to provide information to the public via reports and on its website as it relates to the link between FSMA activities and performance measures, especially as outcome measures support reductions in foodborne illnesses, hospitalizations, and deaths.

Also, the Committee directs FDA to continue their outreach and education efforts to inform the regulated industries how they come into compliance with the FSMA foundational regulations. As previously noted, it is the intent of Congress for FDA to ensure an even playing field in the application of FSMA regulations as it relates to both domestic and imported producers, processors, and manufacturers of food and animal feed. Lastly, the Committee believes that FSMA implementation places additional requirements on state governments and private stakeholders, and therefore urges the FDA to provide sufficient resources to state education and inspection programs to address these needs.

Medical Product Safety Funding.—The Committee directs FDA to maintain the increased funding levels provided by Congress in the past four years for the Precision Medicine Initiative; animal drug and medical device review; over-the-counter sunscreen ingredient review; the Food and Drug Administration Safety and Innovation Act implementation; the Combating Antibiotic Resistant Bacteria (CARB) initiative; Pharmacy Compounding; Counterfeit Drug enforcement; Critical Path Initiative; and medical product shipment delays.

Proposed Reductions.—The Committee does not accept proposed funding reductions for: Foreign High Risk Inspections; the funds made available to the Health and Human Services' Inspector General for its audit and oversight work involving the FDA; the produce safety cooperative agreement funds with states; the Critical Path Initiative; and compounding bulk drug substances.

Aircraft Galley and Lavatory Sanitation.—The Committee directs the GAO to conduct a study of FDA's oversight and inspection of aircraft galleys and lavatories. The study shall include the following: (1) a review of incidents in which problems with aircraft lavatories and galleys have resulted in unsanitary conditions that have affected passengers; (2) the extent to which the FDA has incorporated risk-based approaches to improve the effectiveness and efficiency of aircraft galley and lavatory oversight and inspection practices; (3) the extent to which FDA's oversight and inspection practices conform to its guidance; (4) a review of costs to aircraft operators associated with delays in FDA inspections; and (5) recommendations to improve FDA's oversight and inspection of aircraft lavatories and galleys to improve the effectiveness and efficiency for both the agency and aircraft operators. The Committee directs GAO to issue a report to the Committees within 270 days of enactment of this Act.

Antimicrobial Drug Use.—In recent years, FDA has expanded antimicrobial drug sales and distribution reporting under Section 105 of the Animal Drug User Fee Amendments of 2008 (ADUFA 105) in an effort to further enhance the Agency's understanding of antimicrobial drug use in food-producing animals. The Committee firmly believes that efforts to combat antimicrobial resistance must take into consideration animal health and welfare, which in turn affect human health and food safety. The Committee supports the collection and reporting of accurate and validated data of antimicrobial drug use for food-producing animals, but is concerned with the accuracy of current ADUFA 105 reporting which equates antimicrobial sales and distribution data to actual antimicrobial use data. Sales data used to estimate antimicrobial use has been

shown to be extremely inaccurate and ADUFA reporting must promote public understanding in a meaningful and accurate way. Therefore, the Committee encourages the Agency to seek alternative methods to better identify and reduce inappropriate antimicrobial drug uses rather than benchmarking against preconceived reduction goals using enhanced sales data.

The Committee recognizes that not all antimicrobial drugs used in animal agriculture are involved in the potential for developing resistance mechanisms relevant to animal or human health. Consequently, the agency is encouraged to develop a reporting format for the ADUFA annual summary report that incorporates the antibiotic class of ionophores into a separate section of the report and clearly designates their status as not currently used in human medicine and not relevant to the development of antimicrobial resistance mechanisms.

Cancer Immunotherapy Clinical Trials.—The Committee is aware of the remarkable promise of cancer immunotherapy and encouraged by the FDA's recent approval of new treatments that harness this approach to fighting cancer. More than 1,500 immuno-oncology clinical trials are in some stage of development. As more patients turn to immune-based treatments, and more clinical trials are conducted to evaluate them, understanding how to recognize and manage the side effects of cancer immunotherapies will become increasingly important. Currently, however, standard parameters for reporting cancer immunotherapy-related adverse events in clinical trials are lacking, and this makes comparisons and management across studies challenging. The Committee, therefore, urges the FDA to work with the research community and the pharmaceutical industry to develop standardized templates for reporting toxicities in cancer immunotherapy clinical trials.

Comprehensive Tobacco Framework.—The Committee commends the FDA for its 2017 comprehensive plan for tobacco and nicotine regulation to protect public health and create more predictability in tobacco regulation via the consideration of reduced-risk products. FDA must balance the needs of current adult smokers with the risks of attracting new youth to the marketplace. As FDA moves forward, the Committee directs the agency to consider foundational regulations and guidance for its new rulemakings, including for the Substantial Equivalence (SE) and Pre-market Tobacco Application (PMTA) pathways. These rulemakings should reflect a minimum of 24 months for compliance and additional flexibility and assistance for small tobacco product manufacturers. Clear definitions of terms and requirements for submission to FDA, including those for same characteristics and questions related to public health, will help to provide certainty and limit excessive speculation in the process. A foundational approach to rulemaking and guidance should also rely on product standards, reference products for the SE pathway, performance standards for FDA in certifying reports and applications, and the acceptance of identical specifications in SE reports. In providing transparency, FDA should consider the quarterly release of Center for Tobacco Products reviewer guides. Finally, FDA should consider the expedited or privileged review of quantity and packaging changes that do not affect the core characteristics of products in the PMTA process.

Continuous Manufacturing Initiative.—The Committee provides \$10,000,000 of the funding authorized under the 21st Century Cures Act for the Commissioner of the Food and Drug Administration for a Continuous Manufacturing Initiative and to award grants to institutions of higher education and nonprofit organizations for the purpose of studying and recommending improvements to the process of continuous manufacturing of drugs and biological products and similar innovative monitoring and control techniques. The Committee expects the FDA to partner with existing non-profit entities with demonstrated capacity and experience on advanced manufacturing technologies to lower pharmaceutical costs and where limited federal funds will be matched by non-federal resources.

Critical Path Institute.—Innovation in the development of new medicines and other therapies can be enhanced by enabling FDA to focus on specific program areas such as those outlined in FDA's Critical Path Initiative and their Regulatory Science objectives. These types of programs which FDA often accomplishes through public-private partnerships expand the knowledge base for those developing medical products and those conducting regulatory review. The Committee maintains the \$400,000 increase provided in the FY18 Consolidated Appropriation Act in support of this initiative.

Crop Biotechnology & Biotech Ingredients.—Plants, food, and food ingredients developed using genetic engineering were introduced into the U.S. food supply in the 1990s. Public and private sector scientists knowledgeable in genetic engineering, toxicology, chemistry, nutrition, and other scientific areas have carefully evaluated and assessed the safety of these products and have determined that such products are safe for human and animal consumption. The Committee provides \$3,000,000 for USDA and the FDA to continue efforts to educate the public on the safety and benefits of crop biotechnology and food and animal feed ingredients derived from biotechnology.

Cybersecurity in Medical Devices.—The Committee believes that the FDA should address potential cybersecurity vulnerabilities in medical devices in general, but especially as the Internet of Things becomes more prevalent in healthcare. The Committee directs the FDA to report back within 120 days on the agency's plans to understand the ongoing cybersecurity challenges of medical devices and outline a pathway forward. The plan should describe potential solutions and list compensating controls such as continuous inventory, log monitoring, data protection, micro segmentation, and patching on legacy devices to prevent cyber threats from spreading across hospital systems. The Committee encourages the FDA to seek industry collaboration to uncover the extent of the vulnerabilities and threats with a representative pathway to solving this critical issue.

Dairy Labeling Requirements.—The Committee is aware of the concerns with labeling certain foods and beverages as a dairy product when the product is plant-based rather than derived from animals. The Committee directs the FDA to develop a standard of identity for dairy products based upon the dairy product terms described in parts 131, 133, and 135 of subchapter B of chapter I of title 21, Code of Federal Regulations within 180 days from the date of enactment of this Act. The FDA should issue guidance to indus-

try on how to implement the standard of identity, including how this standard will be enforced.

Dietary Supplements.—More than half of Americans take at least one dietary supplement each day, with use particularly prevalent among older persons and in children. While dietary supplements enter the market under the assumption that they are safe, the FDA has evidence of some products that are contaminated, either intentionally or unintentionally, with inherently unsafe ingredients, including active pharmaceutical ingredients. These products violate the Dietary Supplement Health and Education Act (DSHEA) and pose potential risks to consumers. The Committee applauds FDA's inspection of and enforcement actions against manufacturers with dietary supplement products that contain ingredients that are potentially harmful or otherwise noncompliant with the law. The Committee has been pleased with the inter-agency collaborations and urges FDA to continue working with the Department of Justice to remove illegal dietary supplements from the market. Therefore, it directs FDA to increased resources toward enforcement of DSHEA, including inspection and enforcement activities. In addition, the Committee directs FDA to submit a report no later than 180 days after enactment of this Act, that includes the number of enforcement actions FDA brought against dietary supplement manufacturers and marketers, as well as manufacturers and marketers of products claiming to be dietary supplements, the number of dietary supplement good manufacturing practice inspections FDA conducted in 2017 and the number of FTEs dedicated to dietary supplement inspections and the number of serious adverse events that were reported to FDA from 2015 to 2017.

Drug Compounding Draft MOU.—The Committee appreciates the recognition by FDA of the flaws contained in recent announcement of the agency's intention to withdraw its draft MOU originally issued on February 13, 2015, entitled "Draft Memorandum of Understanding Addressing Certain Distributions of Compounded Human Drug Products Between the State of () and the Food and Drug Administration" as it applied to Section 503A of the FDCA. In issuing a new draft MOU, FDA indicates it will not place a hard percentage limit on distributions of compounded medication across state lines, but will instead institute enhanced reporting requirements for states that agree to sign the MOU. The Committee is concerned that FDA still intends to place requirements on states and their boards of pharmacy that will result in many states refusing to sign an MOU. If this happens, the hard cap of 5 percent contained in 503A on distributions across state lines would apply. The Committee expects that, when the new draft MOU is proposed as a model agreement for the states to consider, that FDA will clarify the distinction between distribution and dispensing activities. Finally, any new draft MOU should be open for comment given the significance of this provision to patient access to medications from the pharmacy of their choice.

Drug Compounding for Animals.—The Committee appreciates FDA withdrawing its proposed draft Guidance for Industry (GFI) for animal drug compounding (#230). The Commissioner has indicated that new guidance will be issued later this year. Congress passed the Drug Quality and Security Act (DQSA), which re-enacted section 503A regarding pharmacy compounding that had pre-

viously been declared unconstitutional. Section 503A and a new Section 503B are explicitly limited to compounding for humans. In GFI #230, which has been withdrawn, FDA attempted to apply many of the provisions from Section 503A and 503B to animal drug compounding without the support of statutory authority. This was an unprecedented intrusion into the state regulated practice of veterinary medicine and pharmacy.

Drug Compounding Implementation Framework and Office Use Compounding.—The Committee is aware that many provisions of the DQSA and the re-enactment of Section 503A have been implemented through more than 20 agency guidance documents instead of the formal notice and comment rulemaking process as required by the underlying statutes and the Administrative Procedure Act. The Committee has previously expressed concerns about this framework. The Committee continues to express its disapproval of the GFI issued in December 2016 entitled Prescription Requirement Under Section 503A of the FDCA due to FDA's further involvement with legitimate state licensed pharmacy practice. While the compounding of limited quantities before receipt of a prescription is legal under Section 503A(a)(2) of the Federal Food, Drug, and Cosmetic Act, the agency has clearly and unequivocally prohibited office-use compounding. The Committee encourages FDA to either prescribe a pathway for limited, safe, and controlled office-use, or hold a public meeting so that FDA can clearly explain to the respective stakeholders the legal rationale for disallowing office-use.

The Committee is also aware of a January 2018 Memorandum issued by the Associate Attorney General that prohibits the DOJ from using civil enforcement authority to convert agency guidance documents into binding rules. Within 90 days of enactment of this Act, the Committee directs FDA to explain how the agency will implement any applicable changes in its use of guidances to ensure consistency with this policy due to the fact that these guidances serve as the underpinning of enforcement activity for both Section 503A and Section 503B of the FDCA.

Drug Compounding Pharmacist on Pharmacy Compounding Advisory Committee.—The Committee is concerned that the Pharmacy Compounding Advisory Committee (PCAC) established under the DQSA does not adequately represent the interests and needs of providers and patients who use and depend on compounded medications. Compounding is often practiced in community settings. It is therefore vital that voting members of PCAC have a thorough understanding of compounding in a community setting in order to appropriately advise FDA. The Committee expects that, at the earliest possible date, whether filling open positions or replacing existing members, the FDA shall appoint voting members with recent, actual, and diverse experience in the preparation, pre-scribing, and use of compounded medications.

Drug Compounding Under State-Licensed Pharmacies.—According to FDA, the agency changed its compounding inspection practices beginning on August 1, 2016 so that a Federal inspection makes a preliminary determination if a state licensed pharmacy operating under the inspection standards adopted by state law or regulation appears to produce pharmaceuticals in accordance with the conditions of 503A. The agency will also address any matters related to insanitary conditions. If those conditions are met, includ-

ing conditions surrounding a prescription, the Committee believes that FDA should be interpreting Section 503A of the FDCA to allow the compounding of product under the standards contained in the United States Pharmacopeia Convention (USP) for sterile and non-sterile pharmaceutical compounding or other applicable pharmacy inspection standards adopted by state law or regulation. The Committee reminds the FDA that these particular compounding pharmacies are not drug manufacturers, but rather, are state licensed and regulated health care providers that are inspected by state boards of pharmacy pursuant to state laws and regulations that establish sterility and other standards for the pharmacies operating within their states. The Committee is also concerned that FDA is publishing the 483 inspection records of pharmacies on its website while not simultaneously publishing the same information for other manufacturing concerns. FDA is directed to use the same level of transparency for the findings of all inspection activities.

Drug Supply Chain Quality and Security.—The Committee is aware that the FDA continues to make progress in implementing the provisions of the DQSA; Title II—Drug Supply Chain Security Act while ensuring the quality and safety of pharmaceutical products and medicines. FDA’s recommendations will help drive down costs related to wastage and counterfeit drugs as they develop policies to implement barcoding technology to track medicines manufactured overseas as well as within the United States.

Current standards related to anti-counterfeiting measures as documented by NIH and the International Organization of Standardization (ISO), highlight the need to incorporate both “overt” features for authentication of medicines such as barcoding and “covert” measures which add additional layers of anti-counterfeiting protection. “Covert” measures include techniques such as chemical markers and RFID tags. Furthermore, temperature chemical markers can be programmed to reflect the effective temperature range for medicines which will provide additional quality assurance that the medicines have not been exposed to temperature extremes during transportation throughout the cold-chain process. If implementation of DQSA recommends only barcoding technology to track medicines at the product level, then standards to ensure authentication and quality of medicines will be several years behind standard practice for anti-counterfeiting measures world-wide. The Committee strongly urges FDA to incorporate multi-layering authentication and anti-counterfeiting techniques in addition to barcoding technology as they develop their policies in implementing DQSA. The Committee directs FDA to provide a report addressing the benefits and costs of incorporating multi-layering and covert technologies with barcoding technology meeting the provisions of the DQSA for pharmaceutical products within 90 days of the enactment of this act.

Duchenne Muscular Dystrophy.—The Committee is encouraged by FDA’s recent approvals of therapies to treat Duchenne Muscular Dystrophy and is aware of the authorities within the 21st Century Cures Act that clarify the agency’s ability to allow sponsors of targeted rare disease therapies to use data from previously approved applications. The Committee is aware of the relevance of this policy to Duchenne and other rare disease therapy development and of

the agency's work to implement the law. The Committee requests an update on these efforts within 180 days of enactment of this Act, including a description of any challenges or impediments faced by the agency in implementing these new authorities

E.U.-Banned Color Additives Used in Food.—The Committee requests a report detailing which color additives used in food have not been approved for use within the E.U. but are permitted to be sold for consumption in the U.S. The report should also list, if known, the primary reasons why the E.U. has banned any such additives.

FDA Partnerships Under FSMA.—The purpose of FSMA is to reform the nation's food safety laws to ensure a safe public food supply. As FDA continues implementation of FSMA, the Committee encourages FDA to work in partnership with existing government food safety programs through MOUs to verify compliance with FSMA to rules once they are finalized as a way to eliminate duplication of activities under the law. In addition, the Committee continues to provide \$5,000,000 for the Food Safety Outreach Program under NIFA and expects that NIFA will serve as the sole agency providing food safety training, education, outreach, and technical assistance at the farm level.

Federal Employee Conduct.—Public service is a public trust that requires federal employees to place ethical principles above private gain. Federal employees are reminded that they shall not advance a personal agenda or give preferential treatment to any outside organization or individual within the government programs which they administer. Information that is received by the employee, including information from other employees, offices, or Congress should be handled in a professional and confidential manner in accordance with Code of Federal Regulations regarding the basic obligation of public service (5 CFR 2635.101).

Food Contact Notification User Fees.—The funds made available by this Act shall include sufficient monies to fund the Food and Drug Administration's Food Contact Notification Program and shall be deemed to satisfy the requirements of 21 U.S.C. 348(h)(5)(A).

Food Date Labeling.—The Committee recognizes that the lack of food date labeling standardization has resulted in significant consumer confusion. Because food manufacturers use a variety of food date labeling phrases, such as "freshest by" or "use by," consumers frequently throw out food that is wholesome and safe, which contributes to the country's food waste problem. The Committee encourages FDA and USDA to provide outreach and guidance to food manufacturers and retailers on food date labeling.

Foreign High Risk Inspection.—The Committee directs FDA to spend no less than the \$7,500,000 provided in the FY 2018 Consolidated Appropriations Act for foreign high-risk inspections, will allow FDA's Office of Regulatory Affairs to continue efforts to develop and utilize a targeted, risk-based, and efficient inspection model that incorporates commercially available information, including onsite facility verification, about all foreign food, drug, device and tobacco establishments for the purpose of regulatory compliance and surveillance of manufacturing quality management practices. FDA is directed to provide the Committees with an update

on these efforts, including estimated efficiencies and concerns and plans to continue or expand this effort in the future.

Genomic Editing.—The Committee understands the potential benefits to society in the genetic modification of living organisms. However, researchers do not yet fully understand all the possible side effects of editing the genes of a human embryo. Editing of the human germ line may involve serious and unquantifiable safety and ethical issues. Federal and non-federal organizations such as the National Academy of Sciences and National Academy of Medicine continue to understand the potential risks of genome editing and a broader public discussion of the societal and ethical implications of this technique is still ongoing. In accordance with the current policy at the National Institutes of Health, the Committee includes bill language that places a prohibition on the FDA's use of funds involving the genetic modification of a human embryo. The Committee continues to support a wide range of innovations in biomedical research, but will do so in a fashion that reflects well-established scientific and ethical principles.

Labeling of Feminine Hygiene Products.—The Committee is concerned by the lack of ingredient labeling requirements on menstrual hygiene products and strongly encourages the FDA to require menstrual hygiene products sold in the U.S. to list ingredients on the package.

Laboratory Developed Tests.—The FDA's draft guidance issued on October 3, 2014, titled "Framework for Regulatory Oversight of Laboratory Developed Tests" (LDTs), puts forth a proposed regulatory framework that is a significant shift in the way LDTs are regulated. Such a shift deserves input from the public, and Congress has been working with stakeholders, constituencies, and the FDA to find common ground on regulating LDTs. The FDA's guidance circumvents the normal rulemaking process and changes expectations for patients, doctors, and laboratories for the first time since the Clinical Laboratory Improvement Amendments Act was passed in 1988. The Committee maintains its position that FDA should suspend further efforts to finalize the LDT guidance and continue working with Congress to pass legislation that addresses a new pathway for regulation of LDTs in a transparent manner.

Listeria Monocytogenes.—The Committee is aware that FDA is in the process of finalizing guidance regarding *Listeria monocytogenes* (Lm). Reducing incidents of listeriosis is an important health goal, and the Committee supports efforts to accomplish this objective. The Committee directs FDA to consider all risk assessments before finalizing the guidance and policy on Lm is risk-based and reflects good and achievable industry practice.

Local Port Cooperation.—The Committee directs the FDA to work with local governments at high volume ports of entry to explore activities which reduce the risk of food borne illnesses and enhance the capacity of local officials in dealing with food borne threats and report back to the Committee within 90 days of enactment of this Act on its efforts.

Mammography Exam Reports.—In November 2011, the National Mammography Quality Assurance Advisory Committee approved a change to the mammogram patient report and physician report to include information regarding an individual's breast density, yet this process has not been completed. The Committee continues to

urge the FDA to implement this change in an expedited manner and report to the Committees on the status of this change no more than 60 days from the enactment of this Act.

Medical Gas Rulemaking.—Medical gases have been used safely to treat medical conditions for over 100 years. In 2012, Congress enacted the Food and Drug Administration Safety and Innovation Act (FDASIA; P.L. 112–144) requiring the FDA to review its regulations applying to pharmaceutical drugs and issue final regulations for medical gases not later July 9, 2016. When FDA missed the FDASIA statutory timeline, Congress included language in the FY 2017 Omnibus (P.L. 115–31) reinforcing this requirement. Following enactment of the FY 2017 Omnibus, FDA initiated the process of revising its regulations for medical gases, but substantial work remains to be done. FDA is urged to complete this work by March 2019.

Medical Product Shipment Delays.—The Committee acknowledges FDA’s vital responsibility to conduct risk-based screening of imported products under its jurisdiction at ports and distribution hubs across the country. However, any delay of critically important medical products places risks to patients and can unnecessarily disrupt medical services. The Committee directs FDA to examine trends in possible delays of medical product shipments, and provide a report to the Committees within 90 days of enactment, and, if necessary, allocate existing resources to adequately staff centralized points of entry for imported, time-sensitive medical products so that commerce and critical medical care is not unduly delayed. The Committee maintains the \$300,000 increase provided in the FY 2018 Consolidated Appropriations Act to help expedite the clearance of these products.

Menu Labeling.—The Committee urges FDA to consider opportunities to reduce the burden and add flexibility for businesses to implement the Menu Labeling rule and provide consumers with certain nutrition information.

Naloxone to Treat Over-usage of Opioids.—United States public health agencies have appropriately highlighted the risk of overdose from doses of opioids greater than 90 morphine milligram equivalents (MME) per day. Also concerning are the hundreds of millions of prescriptions each year of immediate release (IR) lower MME opioids such as hydrocodone and oxycodone. These opioids are commonly associated with abuse and are a common pathway to addiction and also present a risk of overdose. Some states have begun to limit the prescribing of these IR opioids. An additional consideration might be to assess the benefit of co-prescribing naloxone with IR and extended release (ER) opioids. Prescribers including dentists and other primary care providers have an opportunity to become more attuned to the risks of all opioids through the consideration of co-prescribing naloxone with each opioid prescription. The Committee requests the FDA develop a strategy to test this hypothesis and assess the benefit for enacting such a policy as a national strategy.

Nutrient Value of Fish During Pregnancy.—The Committee is concerned that the FDA in concert with the EPA in issuance of updated advice in January 2017 regarding fish consumption, continues to miss an opportunity to promote the positive benefit of seafood consumption during pregnancy. The Committee directs the

FDA to incorporate the specific nutrient value of fish consumption in pregnancy on the FDA website “Eating Fish: What Pregnant Women and Parents Should Know.” This update should also be incorporated within other materials developed by the FDA. The information on the nutrient value of fish should focus on the specific benefits of seafood consumption for pregnancy and fetal development. In addition, the Committee requests an update to the requirements made within the FY 2018 Consolidated Appropriation Act report directive which focused on the FDA’s plan to add information on the nutrient value of fish and to develop a plan to assess the efficacy of this change on women’s dietary choices related to seafood consumption, particularly during pregnancy.

Olive Oil Standards of Identity.—Because of the substantial interest in and consumption of olive oil throughout the United States, driven in part by the significant scientifically-confirmed health benefits of these oils, and the fact that the United States has become a globally-important producer of olive oils, especially extra virgin olive oil, the Committee directs the FDA to establish a separate U.S. Standard of Identity for different grades of olive oil (e.g. refined, virgin and extra virgin) and pomace oils.

The Committee is particularly concerned with the number of different oil state standards for olive oils in the U.S. Because the health benefits of olive oil vary by grade, it is important to establish a uniform set of the standards to better inform and protect consumers. Extra virgin olive oil is the highest quality of olive oil and provides the greatest health benefits for consumers. The FDA is directed to consult and meet with domestic extra virgin olive oil representatives and olive oil representatives in developing a science-based Standard of Identity for extra virgin olive oil and olive oil, respectively, best suited to ensure the integrity of these products for U.S. consumers.

Opioid Abuse.—The abuse, misuse, and diversion of opioid painkillers continue to drive an epidemic in the United States. The CDC indicates that one American loses his or her battle with addiction every twelve and a half minutes. The Committee continues to be pleased that, with the Opioids Action Plan, Opioid Policy Steering Committee, and several significant regulatory actions, the FDA is doing its part to help stem the tide of abuse. In order to reduce the risk of addiction, the Committee urges the agency to adopt labeling changes for the DEA schedule 2 (CII) opioids that explicitly advise that the less addictive and less dangerous schedule 3 (CIII) opioids should be used before resorting to a CII opioid. The use of opioids as first-line therapies for any form of pain has led to over-prescribing, and the CDC has made clear that clinicians should consider opioid therapy only if expected benefits for both pain and function are anticipated to outweigh the risks to the patient. The Committee encourages the FDA to support the development of alternative and non-addictive alternatives to opioid analgesics, and when opioids are medically necessary, will continue to incentivize development and use of abuse-deterrent formulations. The Committee notes that every patient’s treatment regimen should be tailored by his or her doctor to his or her unique needs. The federal government, therefore, should promote the full suite of available treatment options, including abstinence-based models and non-opioid medications. Finally, the Committee continues to be sup-

portive of naloxone distribution among trained, licensed healthcare professionals and emergency responders. When considering the appropriateness of providing naloxone over-the-counter, the Committee directs the FDA to ensure that the administration of naloxone serves as a point of intervention to spur an honest conversation between the patient and his doctor about addiction and treatment.

Opioid Data Warehouse & Analytics.—The opioid crisis affects everyone, from those taking prescribed medications for acute, intractable, or chronic pain and unwittingly becoming addicted, to family members suffering alongside the patients/addicts. The Commissioner has stated that addressing the nation’s opioids crisis is his highest priority. However, according to President Trump’s Commission on Combatting Drug Addiction and the Opioid Crisis, FDA does not have separate and distinct FY 2018 funding to promote the use of data as scientific evidence to support changes in key regulations, such as provider education, Risk Evaluation and Mitigation Strategy (REMS) authorities, and treatment therapies. Evidence-based public health decisions can reverse harmful trends in opioid abuse and overdoses rampant in our communities. As such, the Committee provides \$20,000,000 to collect disparate data to create a large-scale data warehouse and perform data analytics to better assess vulnerability points in the population, anticipate changes in the crisis, and target regulatory changes required.

Patient Experience in Drug Reviews.—The Committee is aware the FDA is implementing policies to promote public access to information about how patient experience information factored into the review of approved products. The Committee supports this step forward and encourages FDA to continue refining the instrument and ways to improve its visibility. The Committee also requests that FDA consider ways to include patient-experience information in relevant labeling and accompanying documentation to inform patient/provider decision making and payer determinations.

Patient Safety and Adverse Events related to Attorney Advertisements.—The Committee directs the FDA to explore adverse event reports linked to attorney or lead generators advertisements for anticoagulant, antiplatelet, blood pressure medications, antihyperglycemic agents used to manage HbA1c in type 2 diabetes or antipsychotic products. The agency is directed to share their results with the FTC and submit a report to the Committees on Appropriations within 120 days of enactment. The Committee also directs FDA and the FTC to collaborate to address patient safety concerns presented by attorney and lead generators advertisements using their respective authorities and expertise.

Performance Measures.—The Committee directs FDA to comply with title 31 of the United States Code, including the development of their organizational priority goals and outcomes such as performance outcome measures, output measures, efficiency measures, and customer service measures.

Pet Food Imports.—As of December 31, 2015, the FDA had received approximately 5,200 complaints of illness related to consumption of chicken, duck, or sweet potato jerky treats, nearly all of which are imported from China. The reports involve more than 6,200 dogs, 26 cats, three humans and include more than 1,140 canine deaths. These incidents date back to 2007. The Committee re-

quests that the FDA provide a timeline of all activities associated with the investigation into the pet illnesses associated with these products, including any import alerts and import refusals, within 60 days of the enactment of this Act. In addition, the Committee requests that the agency provide semi-annual reports on the status of the investigation into these illnesses beginning in July 2017 and continuing until the issue has been resolved.

Prescription Drug Labeling Inserts.—The Committee is aware of FDA’s previous proposal that would subvert repeatedly expressed Congressional intent by permitting the distribution of prescription drugs without printed prescribing information on or within the packages from which such drugs are to be dispensed. The FDA intends to replace such printed labeling with an electronic labeling system for the majority of prescription drugs. On several occasions, Congress has expressly declined to provide the FDA the necessary statutory authority to implement this change. As recently as 2012, Congress commissioned a GAO report (GAO–13–592) discussing this issue. The GAO report concluded that such a change could adversely impact public health. Thus, the Committee is very concerned that the FDA is moving to promulgate a regulation that would generally eliminate printed prescribing information inserts for prescription drugs. Therefore, the Committee has included a provision prohibiting the FDA from utilizing any funds to propose or otherwise promulgate any rule that requires or permits any prescription drug or biologic products to be distributed without printed prescribing information on or within the packaging from which such products are to be dispensed, unless such actions are expressly provided by an amendment to the FDCA.

Prescription Drugs and Safe Medication Disposal.—The Committee is aware of the FDA review of policies and recommendations for the safe disposal of unused medications. This is an important part of comprehensive efforts to reduce the diversion of prescription drugs, including opioids, in the home, health care delivery settings, and other locations. The Committee is aware of advanced technologies, including drug deactivation bags developed with NIH support, which may be effective options for improving safe disposal and encourages the FDA to include these options in the ongoing FDA initiative.

Standard of Identity Activities for Foods.—Of the amount provided for CFSAN, the Committee requires an increase of \$3,000,000 for the Office of Nutrition and Food Labeling to prioritize efforts regarding standards of identity and related product labeling.

Sunscreen Ingredients.—The Committee remains significantly concerned that the FDA has not approved a new over-the-counter (OTC) sunscreen ingredient since the 1990s despite increased skin cancer rates in the United States, the Surgeon General’s 2014 Call to Action to Prevent Skin Cancer, unanimous passage of the Sunscreen Innovation Act (SIA) in Congress and having a number of ingredients pending approval for more than 15 years. The Committee directs the FDA to continue to work with sponsors to reach a path forward on a testing regimen for sunscreen ingredients that is consistent with current scientific standards, has a proven track record with sunscreen ingredients, and appropriately balances the benefit of additional skin cancer prevention tools.

Stem Cell Treatment and Storage.—As the agency refines its comprehensive regenerative medicine policy framework, the Committee directs the FDA to brief the Committees within 30 days of enactment on how FDA regulates human stem cell harvesting compared to how the agency regulates the treatment and storage of human blood.

Syringe Sterility.—The Committee is pleased that the FDA has finalized guidance addressing the repackaging and compounding of biologics, a critical step toward ensuring that patients receive safe drugs. It remains concerned, however, that while the guidance establishes procedures to ensure the sterility and stability of the drug itself, it does little to address the sterility of the delivery mechanism of the drug or the packaging in which the drug will be delivered to the patient. This is particularly concerning for biologics that are injected into a closed system, such as the spine or the eye, where infection cannot easily be fought by the immune system. Therefore, as the FDA revisits the development of Good Manufacturing Practices for compounded drugs, the Committee strongly encourages the adoption of guidelines that mimic regulations governing the sterility of the container and packaging of sterile injectable biologics that currently apply to biologics manufacturers. For example, at 21 C.F.R. 200.50, the FDA requires that “containers of ophthalmic preparations be sterile” and “packaged so as to maintain sterility until the package is opened.” While there is always a risk of adverse outcomes when drugs are repackaged or compounded, that risk is significantly increased when those drugs are biologics, and therefore, all necessary precautions should be taken by the FDA to reduce those risks.

Tobacco Product Enforcement.—The Committee is concerned with the rise of new Electronic Nicotine Delivery Systems (ENDS) attracting new youth smokers in record numbers. This demographic shift places at risk the innovation of harm reducing technology that has the potential to benefit the greater public health. The Committee directs FDA to increase investigations and enforcement actions against entities that market tobacco products to youth. The Committee requests FDA provide a detailed report of its enforcement efforts in this area, including: data on the number of suspected new or modified vapor products introduced after August 8, 2016; data on any and all enforcement actions taken with respect to new or modified vapor products introduced into the market after August 8, 2016; the agency’s plan going forward to enforce the Act as to new or modified products entering the market after August 8, 2016; and the resource allocation (personnel and dollars spent) to ensure new or modified vapor products are not entering the marketplace without proper authorization. The Committee requests this information 60 days after the date of enactment of this Act.

Tobacco Product Standards.—The Committee is concerned about the feasibility of achieving a 1 parts per million level for N-nitrosornicotine levels as established in the proposed product standard rule dated January 23, 2017 (82 Fed. Reg. 8004). The Committee encourages FDA to work with stakeholders involved in the production and growth of these products to determine a reasonable level while fulfilling its statutory mission to protect public health.

Tobacco Product User Fees.—The Committee directs the FDA to submit a report to the Committees and made publicly available online on the planned expenditure and obligation of user fees for the current fiscal year within 60 days of enactment of this Act. The report shall include the amount of carryover and unobligated balances from the prior fiscal year and planned obligations and expenditures for the current fiscal year based upon the total of the new and existing amounts available. The report shall identify the type and amount of activities, contracts, and objectives to be implemented, including but not limited to public education campaigns, scientific research, communications, and product application processing and review for the current and prior fiscal year. The report shall also include a status of submitted, pending, and approved tobacco product applications per each regulatory pathway and class as defined by the Tobacco Control Act, and subsequent regulations, for the past three fiscal years and planned for the current fiscal year.

Virtual clinical trials.—Novel digital technologies are facilitating the use of virtual clinical trials. By reducing geographical barriers, these trials can allow populations historically underrepresented in clinical research, such as the elderly and those living in rural areas or with limited mobility, to participate in clinical research. Through the use of telemedicine, connected sensors, patient engagement applications and direct data capture tools, virtual trials are conducted geographically near the patient. Reducing or eliminating on-site visits has the potential to increase patient convenience and lower study costs, while the implementation of new technologies is expected to increase data quality. The Committee recommends that the impacted Centers at FDA actively collaborate to advance and expand the use of virtual trials and the acceptance of the data generated from these trials. The FDA shall provide an annual report of their activities to advance digital technologies and the impact on patient access to clinical trials.

Drug Efficiency Study Implementation (DESI) Process.—While the Committee agrees with FDA's goal of ensuring all drugs have current approvals, the Committee is concerned that the DESI process can at times lead to the unnecessary removal of important drugs from the marketplace. The Committee encourages the FDA to reexamine the process for DESI manufacturers as these companies are working through the FDA process for obtaining an approved new drug application or abbreviated new drug application.

CVM Guidance Documents.—The FDA Center for Veterinary Medicine (CVM) recently updated its list of guidance topics to include possible new topics for consideration as well as revisions to existing FDA-CVM guidance documents. The Committee encourages FDA to seek input from relevant industry stakeholders and appropriate scientific experts who can assist FDA in the development of and any revisions to guidance documents.

In Silico Clinical Trials.—The Committee appreciates FDA's continued support for and use of modeling and simulation in clinical trials, as well as its establishment of an affiliation agreement with an academic institution with expertise in this field. This partnership allows the development of personalized medical interventions, optimizes the regulatory process with in silico clinical trials and bridges gaps in the current regulatory infrastructure. The Com-

mittee urges FDA to formalize this important function in improving outcomes and reducing costs inherent to drug and device discovery.

Dietary Fiber Sources.—While FDA has issued final guidance on dietary fiber, it has not provided final guidance on intrinsic and intact fiber sources nor has the Agency finalized its conclusions on the status of pending fiber ingredients. Additionally, FDA has not finalized its proposed compliance date extension. This lack of regulatory clarity is causing significant confusion and market disruptions. Therefore, FDA shall allow up to three years after final conclusions on the pending fiber ingredients to allow sufficient time for food manufacturers to comply.

BUILDINGS AND FACILITIES

2018 appropriation	\$11,788,000
2019 budget estimate	11,788,000
Provided in the bill	11,788,000
Comparison:	
2018 appropriation	— — —
2019 budget estimate	— — —

COMMITTEE PROVISIONS

For Buildings and Facilities of the Food and Drug Administration, the Committee provides \$11,788,000.

FDA INNOVATION ACCOUNT, CURES ACT

2018 appropriation	\$60,000,000
2019 budget estimate	70,000,000
Provided in the bill	70,000,000
Comparison:	
2018 appropriation	+10,000,000
2019 budget estimate	— — —

COMMITTEE PROVISIONS

For the FDA Innovation Account as authorized in the 21st Century Cures Act, the Committee provides an appropriation of \$70,000,000.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

2018 appropriation	\$249,000,000
2019 budget estimate	281,500,000
Provided in the bill	255,000,000
Comparison:	
2018 appropriation	+6,000,000
2019 budget estimate	–26,500,000

COMMITTEE PROVISIONS

For the Commodity Futures Trading Commission (CFTC), the Committee provides an appropriation of \$255,000,000, of which \$50,000,000 is for the purchase of IT and \$3,000,000 is for the Inspector General. Overhead for the Inspector General shall not exceed \$350,000. The Committee provides a funding increase for the LabCFTC initiative, cybersecurity, and clearinghouse examinations.

Cross-Border Harmonization.—The Committee strongly encourages the CFTC to work with the Securities and Exchange Commis-

sion (SEC) to harmonize the definition of a “US person” and exempt non-US regulated funds from any definition. Currently, the definition of a “US person” differs between the two agencies, which can result in operational challenges and potentially different regulatory treatment of entities transacting in otherwise similar instruments. Global firms face significant costs and burdens if the CFTC’s and SEC’s regulatory approaches produce different outcomes regarding whether an entity or transaction would be subject to the Dodd-Frank Act. Derivatives transactions for swaps and security-based swaps that are traded typically by the same trading desk or desks should not be analyzed differently. The Committee urges these agencies to work together in an expeditious manner toward a consistent definition of “US person”.

Virtual Currency Monitoring.—The advent of virtual currency markets has presented several new challenges for the Commission in its efforts to carry out its mission. Each virtual currency derivatives contract ties its price in some way, through various settlement processes, to the price of the virtual currency on the cash market. This underlying cash market is relatively nascent, and the exchanges operating in the cash market remain largely unregulated with the Commission having only limited statutory authority over the cash market. Those features of the underlying cash markets have led some U.S. regulators to express concern about the potential for fraud and manipulation in the cash and futures markets; and other risks that fall within the purview of the Commission, such as risks to centralized counterparty clearing organizations. Therefore, the Committee encourages the Commission’s ongoing efforts, in coordination with other financial regulators like the Securities and Exchange Commission, to monitor virtual currencies, such as Bitcoin futures contracts and the underlying cash markets to which these futures contracts are settled; and to detect, investigate, and prosecute fraud and manipulation in these markets.

Swap Dealer de Minimis.—The Committee directs the Commission to continue to resolve the Swap Dealer de Minimis threshold and provide relief to derivatives end-users.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

2018 limitation	(\$70,600,000)
2019 budget estimate	(74,600,000)
Provided in the bill	(74,600,000)
Comparison:	
2018 limitation	+4,000,000
2019 budget estimate	— — —

COMMITTEE PROVISIONS

For a limitation on the expenses of the Farm Credit Administration (FCA), the Committee provides \$74,600,000.

TITLE VII

GENERAL PROVISIONS

(INCLUDING RESCISSIONS AND TRANSFERS OF FUNDS)

The General Provisions contained in the accompanying bill for fiscal year 2019 are fundamentally the same as those included in last year's appropriations bill.

The following general provisions are included in the bill:

Section 701: Limitation on the purchase of passenger motor vehicles.

Section 702: Transfer authority regarding the Working Capital Fund.

Section 703: Limitation on certain obligations.

Section 704: Indirect cost rates for cooperative agreements with nonprofit institutions.

Section 705: Disbursement of rural development loans.

Section 706: Authority of the Chief Information Officer relating to new IT systems.

Section 707: Language regarding crop programs.

Section 708: Rural Utility Service borrower eligibility.

Section 709: Limitation on certain I.T. funds.

Section 710: Prohibition on first-class airline travel.

Section 711: Use of funds authorized by the Commodity Credit Corporation Charter Act.

Section 712: Funding for advisory committees.

Section 713: Indirect costs for competitive agricultural research grants.

Section 714: Language regarding IT systems regulations.

Section 715: Language on Section 32 activities.

Section 716: Language on user fee proposals without offsets.

Section 717: Language on reprogramming.

Section 718: Language on fees for the business and industry guaranteed loan program.

Section 719: Language on questions for the record.

Section 720: Language regarding prepackaged news stories.

Section 721: Language on prohibition on paid details in excess of 60 days.

Section 722: Language regarding spending plans.

Section 723: Language on certain unobligated balances.

Section 724: Language regarding Single Family Housing Direct Loan Program.

Section 725: Language regarding USDA loan programs.

Section 726: Transfer authority regarding the Working Capital Fund.

Section 727: Language regarding purchases made through Child Nutrition Programs.

Section 728: Language regarding water and waste disposal sanitation loans.

Section 729: Language regarding research programs.

Section 730: Language regarding housing loan programs.

Section 731: Language regarding consumer information.

Section 732: Language regarding genetic modification.

Section 733: Language regarding beverage production process.

Section 734: Language regarding emergency food aid.

- Section 735: Language regarding Rural Utility Service.
 Section 736: Language regarding meat and poultry regulation.
 Section 737: Language regarding research and evaluation plan.
 Section 738: Language regarding the Commodity Exchange Act.
 Section 739: Language regarding audits.
 Section 740: Language regarding FDA regulations.
 Section 741: Language regarding animal research.
 Section 742: Language regarding the Food Security Act.
 Section 743: Language regarding domestic preference.
 Section 744: Language regarding community eligibility.
 Section 745: Language regarding lobbying.
 Section 746: Language regarding office operations.
 Section 747: Language regarding housing programs.
 Section 748: Language regarding child nutrition programs.
 Section 749: Language regarding community eligibility.
 Section 750: Language regarding community eligibility.
 Section 751: Language regarding poultry products.
 Section 752: Language regarding FDA regulation.
 Section 753: Language regarding fund access.
 Section 754: Language regarding the citrus greening.
 Section 755: Language regarding the FDA regulation.
 Section 756: Language regarding geographic areas.
 Section 757: Language regarding child nutrition.
 Section 758: Language regarding the veteran farming.
 Section 759: Language regarding broadband expansion.
 Section 760: Language regarding cost-benefit analysis.
 Section 761: Language regarding biomass crop assistance program.
 Section 762: Language regarding FDA regulation.
 Section 763: Language regarding dietary guidelines.
 Section 764: Language regarding food labeling.
 Section 765: Language regarding the availability of funds.
 Section 766: Language regarding genetically engineered labeling.
 Section 767: Language regarding the school breakfast program.
 Section 768: Language regarding the SNAP program.
 Section 769: Language regarding premium cigars.
 Section 770: Language regarding cigars.
 Section 771: Language regarding the Federal Food, Drug, and Cosmetic Act.
 Section 772: Language regarding tobacco product standards.
 Section 773: Language regarding the labeling of tobacco products.
 Section 774: Language regarding tobacco regulation.
 Section 775: Language regarding age verification of tobacco purchases.
 Section 776: Language regarding a report.
 Section 777: Language regarding a report.
 Section 778: Language regarding the spending reduction account.

HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NO. 1

Date: May 16, 2018

Measure: Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, FY 2019

Motion by: Mr. Cole

Description of Motion: To establish a new predicate date for tobacco products, to establish restrictions on the sale of such products, to promulgate regulations for tobacco product standards, to amend the Federal Food, Drug and Cosmetic Act and Pro-Children Act of 1994, to require a report, and to direct use of fee funds for a youth education program.

Results: Adopted 29 yeas to 20 nays

Members Voting Yea

Mr. Aderholt
 Mr. Amodei
 Mr. Bishop
 Mr. Calvert
 Mr. Carter
 Mr. Cole
 Mr. Cuellar
 Mr. Culberson
 Mr. Diaz-Balart
 Mr. Fleischmann
 Mr. Fortenberry
 Mr. Frelinghuysen
 Ms. Granger
 Mr. Graves
 Dr. Harris
 Ms. Herrera Beutler
 Mr. Jenkins
 Mr. Joyce
 Mr. Moolenaar
 Mr. Newhouse
 Mr. Palazzo
 Mrs. Roby
 Mr. Rooney
 Mr. Simpson
 Mr. Taylor
 Mr. Valadao
 Mr. Womack
 Mr. Yoder
 Mr. Young

Members Voting Nay

Mr. Aguilar
 Mr. Cartwright
 Ms. Clark
 Ms. DeLauro
 Ms. Kaptur
 Mr. Kilmer
 Ms. Lee
 Mrs. Lowey
 Ms. McCollum
 Ms. Meng
 Ms. Pingree
 Mr. Pocan
 Mr. Price
 Mr. Quigley
 Ms. Roybal-Allard
 Mr. Ruppersberger
 Mr. Ryan
 Mr. Serrano
 Mr. Stewart
 Ms. Wasserman Schultz

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NO. 2

Date: May 16, 2018

Measure: Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, FY 2019

Motion by: Ms. DeLauro

Description of Motion: To strike a provision directing that the Secretary of Agriculture issue regulations for products made from cells of amenable species of livestock and poultry.

Results: Defeated 21 yeas to 30 nays

Members Voting Yea

Mr. Aguilar
 Mr. Bishop
 Mr. Cartwright
 Ms. Clark
 Ms. DeLauro
 Ms. Kaptur
 Mr. Kilmer
 Ms. Lee
 Mrs. Lowey
 Ms. McCollum
 Ms. Meng
 Ms. Pingree
 Mr. Pocan
 Mr. Price
 Mr. Quigley
 Ms. Roybal-Allard
 Mr. Ruppertsberger
 Mr. Ryan
 Mr. Serrano
 Mr. Visclosky
 Ms. Wasserman Schultz

Members Voting Nay

Mr. Aderholt
 Mr. Amodei
 Mr. Calvert
 Mr. Carter
 Mr. Cole
 Mr. Cuellar
 Mr. Culberson
 Mr. Diaz-Balart
 Mr. Fleischmann
 Mr. Fortenberry
 Mr. Frelinghuysen
 Ms. Granger
 Mr. Graves
 Dr. Harris
 Ms. Herrera Beutler
 Mr. Jenkins
 Mr. Joyce
 Mr. Moolenaar
 Mr. Newhouse
 Mr. Palazzo
 Mrs. Roby
 Mr. Rooney
 Mr. Rutherford
 Mr. Simpson
 Mr. Stewart
 Mr. Taylor
 Mr. Valadao
 Mr. Womack
 Mr. Yoder
 Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NO. 3

Date: May 16, 2018

Measure: Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, FY 2019

Motion by: Mr. Bishop

Description of Motion: To increase funding for the Commodity Futures Trading Commission.

Results: Defeated 22 yeas to 29 nays

Members Voting Yea

Mr. Aguilar
 Mr. Bishop
 Mr. Cartwright
 Ms. Clark
 Mr. Cuellar
 Ms. DeLauro
 Ms. Kaptur
 Mr. Kilmer
 Ms. Lee
 Mrs. Lowey
 Ms. McCollum
 Ms. Meng
 Ms. Pingree
 Mr. Pocan
 Mr. Price
 Mr. Quigley
 Ms. Roybal-Allard
 Mr. Ruppertsberger
 Mr. Ryan
 Mr. Serrano
 Mr. Visclosky
 Ms. Wasserman Schultz

Members Voting Nay

Mr. Aderholt
 Mr. Amodei
 Mr. Calvert
 Mr. Carter
 Mr. Cole
 Mr. Culberson
 Mr. Diaz-Balart
 Mr. Fleischmann
 Mr. Fortenberry
 Mr. Frelinghuysen
 Ms. Granger
 Mr. Graves
 Dr. Harris
 Ms. Herrera Beutler
 Mr. Jenkins
 Mr. Joyce
 Mr. Moolenaar
 Mr. Newhouse
 Mr. Palazzo
 Mrs. Roby
 Mr. Rooney
 Mr. Rutherford
 Mr. Simpson
 Mr. Stewart
 Mr. Taylor
 Mr. Valadao
 Mr. Womack
 Mr. Yoder
 Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NO. 4

Date: May 16, 2018

Measure: Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, FY 2019

Motion by: Ms. Granger

Description of Motion: To report the bill to the House, as amended.

Results: Adopted 31 yeas to 20 nays

Members Voting Yea

Mr. Aderholt
 Mr. Amodei
 Mr. Bishop
 Mr. Calvert
 Mr. Carter
 Mr. Cole
 Mr. Cuellar
 Mr. Culberson
 Mr. Diaz-Balart
 Mr. Fleischmann
 Mr. Fortenberry
 Mr. Frelinghuysen
 Ms. Granger
 Mr. Graves
 Dr. Harris
 Ms. Herrera Beutler
 Mr. Jenkins
 Mr. Joyce
 Mr. Moolenaar
 Mr. Newhouse
 Mr. Palazzo
 Mrs. Roby
 Mr. Rooney
 Mr. Rutherford
 Mr. Simpson
 Mr. Stewart
 Mr. Taylor
 Mr. Valadao
 Mr. Womack
 Mr. Yoder
 Mr. Young

Members Voting Nay

Mr. Aguilar
 Mr. Cartwright
 Ms. Clark
 Ms. DeLauro
 Ms. Kaptur
 Mr. Kilmer
 Ms. Lee
 Mrs. Lowey
 Ms. McCollum
 Ms. Meng
 Ms. Pingree
 Mr. Pocan
 Mr. Price
 Mr. Quigley
 Ms. Roybal-Allard
 Mr. Ruppersberger
 Mr. Ryan
 Mr. Serrano
 Mr. Visclosky
 Ms. Wasserman Schultz

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the following is a statement of general performance goals and objectives for which this measure authorizes funding:

The Committee on Appropriations considers program performance, including a program's success in developing and attaining outcome-related goals and objectives, in developing funding recommendations.

RESCISSIONS

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following lists the rescissions of unexpended balances included in the accompanying bill:

Program or activity	Amount
USDA Cushion of Credit	\$50,000,000
USDA FNS (prior year balances)	\$300,000,000

TRANSFERS OF FUNDS

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following list includes the transfers of unexpended balances included in the accompanying bill:

1. *Departmental Administration.*—The bill requires reimbursement for expenses related to certain hearings.

2. *Office of the Assistant Secretary for Congressional Relations.*—The bill allows a portion of the funds appropriated to the Office of the Assistant Secretary to be transferred to agencies.

3. *Hazardous Materials Management.*—The bill allows the funds appropriated to the Department for hazardous materials management to be transferred to agencies of the Department as required.

4. *Animal and Plant Health Inspection Service.*—Authority is included to enable the Secretary of Agriculture to transfer from other appropriations or funds of the Department such sums as may be necessary to combat emergency outbreaks of certain diseases of animals, plants, and poultry.

5. *Funds for Strengthening Markets, Income, and Supply.*—The bill limits the transfer of section 32 funds to purposes specified in the bill.

6. *Farm Service Agency Salaries and Expenses.*—The bill provides that funds provided to other accounts in the agency may be merged with the salaries and expenses account of the Farm Service Agency.

7. *Dairy Indemnity Program.*—The bill authorizes the transfer of funds to the Commodity Credit Corporation, by reference.

8. *Agricultural Credit Insurance Fund Program Account.*—The bill provides funds to be transferred to the Farm Service Agency.

9. *Commodity Credit Corporation.*—The bill includes language allowing certain funds to be transferred to the Foreign Agricultural Service for information resource management activities.

10. *Rural Development Salaries and Expenses.*—The bill provides that prior year balances from certain accounts shall be transferred to and merged with this account.

11. *Rural Housing Insurance Fund Program Account, Intermediary Relending Program Fund Account, and Rural Electrification and Telecommunications Program Account.*—The bill provides funds in this account shall be transferred to the salaries and expenses of Rural Development.

12. *Child Nutrition Programs.*—The bill includes authority to transfer section 32 funds to these programs.

13. *Foreign Agricultural Service, Salaries and Expenses.*—The bill allows for the transfer of funds from the Commodity Credit Corporation Export Loan Program Account.

14. *Food for Peace Title I Direct Credit and Food for Progress Program Account.*—The bill allows funds to be transferred to the Farm Service Agency, Salaries and Expenses account. The bill also provides that funds made available for the cost of title I agreements and for title I ocean freight differential may be used interchangeably.

15. *Commodity Credit Corporation Export Loans Program.*—The bill provides for transfer of funds to the Foreign Agricultural Service and to the Farm Service Agency for overhead expenses associated with credit reform.

16. *Food and Drug Administration, Salaries and Expenses.*—The bill allows funds to be transferred among activities.

17. *General Provisions.*—The bill allows unobligated balances of discretionary funds to be transferred to the Working Capital Fund.

DISCLOSURE OF EARMARKS AND CONGRESSIONALLY DIRECTED
SPENDING ITEMS

Neither the bill nor this report contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMPLIANCE WITH RULE XIII, CL. 3(e) (RAMSEYER RULE)

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT

* * * * *

NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS

SEC. 9. (a)(1)(A) Lunches served by schools participating in the school lunch program under this Act shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research, except that the minimum nutritional requirements—

(i) shall not be construed to prohibit the substitution of foods to accommodate the medical or other special dietary needs of individual students; and

(ii) shall, at a minimum, be based on the weekly average of the nutrient content of school lunches.

(B) The Secretary shall provide technical assistance and training, including technical assistance and training in the preparation of lower-fat versions of foods commonly used in the school lunch program under this Act, to schools participating in the school lunch program to assist the schools in complying with the nutritional requirements prescribed by the Secretary pursuant to subparagraph (A) and in providing appropriate meals to children with medically certified special dietary needs. The Secretary shall provide additional technical assistance to schools that are having difficulty maintaining compliance with the requirements.

(2) FLUID MILK.—

(A) IN GENERAL.—Lunches served by schools participating in the school lunch program under this Act—

(i) shall offer students a variety of fluid milk. Such milk shall be consistent with the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341);

(ii) may offer students flavored and unflavored fluid milk and lactose-free fluid milk; and

(iii) shall provide a substitute for fluid milk for students whose disability restricts their diet, on receipt of a written statement from a licensed physician that identifies the disability that restricts the student's diet and that specifies the substitute for fluid milk.

(B) SUBSTITUTES.—

(i) STANDARDS FOR SUBSTITUTION.—A school may substitute for the fluid milk provided under subparagraph (A), a nondairy beverage that is nutritionally equivalent to fluid milk and meets nutritional standards established by the Secretary (which shall, among other requirements to be determined by the Secretary, include fortification of calcium, protein, vitamin A, and vitamin D to levels found in cow's milk) for students who cannot consume fluid milk because of a medical or other special dietary need other than a disability described in subparagraph (A)(iii).

(ii) NOTICE.—The substitutions may be made if the school notifies the State agency that the school is implementing a variation allowed under this subparagraph, and if the substitution is requested by written statement of a medical authority or by a student's parent or legal guardian that identifies the medical or other special dietary need that restricts the student's diet, except that the school shall not be required to provide beverages other than beverages the school has identified as acceptable substitutes.

(iii) EXCESS EXPENSES BORNE BY SCHOOL FOOD AUTHORITY.—Expenses incurred in providing substitutions under this subparagraph that are in excess of expenses covered by reimbursements under this Act shall be paid by the school food authority.

(C) RESTRICTIONS ON SALE OF MILK PROHIBITED.—A school that participates in the school lunch program under

this Act shall not directly or indirectly restrict the sale or marketing of fluid milk products by the school (or by a person approved by the school) at any time or any place—

- (i) on the school premises; or
- (ii) at any school-sponsored event.

(3) Students in senior high schools that participate in the school lunch program under this Act (and, when approved by the local school district or nonprofit private schools, students in any other grade level) shall not be required to accept offered foods they do not intend to consume, and any such failure to accept offered foods shall not affect the full charge to the student for a lunch meeting the requirements of this subsection or the amount of payments made under this Act to any such school for such lunch.

(4) PROVISION OF INFORMATION.—

(A) GUIDANCE.—Prior to the beginning of the school year beginning July 2004, the Secretary shall issue guidance to States and school food authorities to increase the consumption of foods and food ingredients that are recommended for increased serving consumption in the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341).

(B) RULES.—Not later than 2 years after the date of enactment of this paragraph, the Secretary shall promulgate rules, based on the most recent Dietary Guidelines for Americans, that reflect specific recommendations, expressed in serving recommendations, for increased consumption of foods and food ingredients offered in school nutrition programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

(C) PROCUREMENT AND PROCESSING OF FOOD SERVICE PRODUCTS AND COMMODITIES.—The Secretary shall—

(i) identify, develop, and disseminate to State departments of agriculture and education, school food authorities, local educational agencies, and local processing entities, model product specifications and practices for foods offered in school nutrition programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to ensure that the foods reflect the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341);

(ii) not later than 1 year after the date of enactment of this subparagraph—

(I) carry out a study to analyze the quantity and quality of nutritional information available to school food authorities about food service products and commodities; and

(II) submit to Congress a report on the results of the study that contains such legislative recommendations as the Secretary considers necessary to ensure that school food authorities have access to the nutritional information needed for menu planning and compliance assessments; and

(iii) to the maximum extent practicable, in purchasing and processing commodities for use in school nutrition programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), purchase the widest variety of healthful foods that reflect the most recent Dietary Guidelines for Americans.

(5) WATER.—Schools participating in the school lunch program under this Act shall make available to children free of charge, as nutritionally appropriate, potable water for consumption in the place where meals are served during meal service.

(b)(1)(A) Not later than June 1 of each fiscal year, the Secretary shall prescribe income guidelines for determining eligibility for free and reduced price lunches during the 12-month period beginning July 1 of such fiscal year and ending June 30 of the following fiscal year. The income guidelines for determining eligibility for free lunches shall be 130 percent of the applicable family size income levels contained in the nonfarm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually in accordance with subparagraph (B). The income guidelines for determining eligibility for reduced price lunches for any school year shall be 185 percent of the applicable family size income levels contained in the nonfarm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually in accordance with subparagraph (B). The Office of Management and Budget guidelines shall be revised at annual intervals, or at any shorter interval deemed feasible and desirable.

(B) The revision required by subparagraph (A) of this paragraph shall be made by multiplying—

(i) the official poverty line (as defined by the Office of Management and Budget); by

(ii) the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the adjustment is made.

Revisions under this subparagraph shall be made not more than 30 days after the date on which the consumer price index data required to compute the adjustment becomes available.

(2)(A) Following the determination by the Secretary under paragraph (1) of this subsection of the income eligibility guidelines for each school year, each State educational agency shall announce the income eligibility guidelines, by family size, to be used by schools in the State in making determinations of eligibility for free and reduced price lunches. Local school authorities shall, each year, publicly announce the income eligibility guidelines for free and reduced price lunches on or before the opening of school.

(B) APPLICATIONS AND DESCRIPTIVE MATERIAL.—

(i) IN GENERAL.—Applications for free and reduced price lunches, in such form as the Secretary may prescribe or approve, and any descriptive material, shall be distributed to the parents or guardians of children in attendance at the school, and shall contain only the family size income levels for reduced price meal eligibility with the explanation that households with incomes less than or equal to these values would be eligible for free or reduced price lunches.

(ii) INCOME ELIGIBILITY GUIDELINES.—Forms and descriptive material distributed in accordance with clause (i) may not contain the income eligibility guidelines for free lunches.

(iii) CONTENTS OF DESCRIPTIVE MATERIAL.—

(I) IN GENERAL.—Descriptive material distributed in accordance with clause (i) shall contain a notification that—

(aa) participants in the programs listed in subclause (II) may be eligible for free or reduced price meals; and

(bb) documentation may be requested for verification of eligibility for free or reduced price meals.

(II) PROGRAMS.—The programs referred to in subclause (I)(aa) are—

(aa) the special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

(bb) the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

(cc) the food distribution program on Indian reservations established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b)); and

(dd) a State program funded under the program of block grants to States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

(3) HOUSEHOLD APPLICATIONS.—

(A) DEFINITION OF HOUSEHOLD APPLICATION.—In this paragraph, the term “household application” means an application for a child of a household to receive free or reduced price school lunches under this Act, or free or reduced price school breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), for which an eligibility determination is made other than under paragraph (4) or (5).

(B) ELIGIBILITY DETERMINATION.—

(i) IN GENERAL.—An eligibility determination shall be made on the basis of a complete household application executed by an adult member of the household or in accordance with guidance issued by the Secretary.

(ii) ELECTRONIC SIGNATURES AND APPLICATIONS.—A household application may be executed using an electronic signature if—

(I) the application is submitted electronically; and

(II) the electronic application filing system meets confidentiality standards established by the Secretary.

(C) CHILDREN IN HOUSEHOLD.—

(i) IN GENERAL.—The household application shall identify the names of each child in the household for whom meal benefits are requested.

(ii) SEPARATE APPLICATIONS.—A State educational agency or local educational agency may not request a separate application for each child in the household that attends schools under the same local educational agency.

(D) VERIFICATION OF SAMPLE.—

(i) DEFINITIONS.—In this subparagraph:

(I) ERROR PRONE APPLICATION.—The term “error prone application” means an approved household application that—

(aa) indicates monthly income that is within \$100, or an annual income that is within \$1,200, of the income eligibility limitation for free or reduced price meals; or

(bb) in lieu of the criteria established under item (aa), meets criteria established by the Secretary.

(II) NON-RESPONSE RATE.—The term “non-response rate” means (in accordance with guidelines established by the Secretary) the percentage of approved household applications for which verification information has not been obtained by a local educational agency after attempted verification under subparagraphs (F) and (G).

(ii) VERIFICATION OF SAMPLE.—Each school year, a local educational agency shall verify eligibility of the children in a sample of household applications approved for the school year by the local educational agency, as determined by the Secretary in accordance with this subsection.

(iii) SAMPLE SIZE.—Except as otherwise provided in this paragraph, the sample for a local educational agency for a school year shall equal the lesser of—

(I) 3 percent of all applications approved by the local educational agency for the school year, as of October 1 of the school year, selected from error prone applications; or

(II) 3,000 error prone applications approved by the local educational agency for the school year, as of October 1 of the school year.

(iv) ALTERNATIVE SAMPLE SIZE.—

(I) IN GENERAL.—If the conditions described in subclause (IV) are met, the verification sample size for a local educational agency shall be the sample size described in subclause (II) or (III), as determined by the local educational agency.

(II) 3,000/3 PERCENT OPTION.—The sample size described in this subclause shall be the lesser of 3,000, or 3 percent of, applications selected at random from applications approved by the local educational agency for the school year, as of October 1 of the school year.

(III) 1,000/1 PERCENT PLUS OPTION.—

(aa) IN GENERAL.—The sample size described in this subclause shall be the sum of—

(AA) the lesser of 1,000, or 1 percent of, all applications approved by the local educational agency for the school year, as of October 1 of the school year, selected from error prone applications; and

(BB) the lesser of 500, or $\frac{1}{2}$ of 1 percent of, applications approved by the local educational agency for the school year, as of October 1 of the school year, that provide a case number (in lieu of income information) showing participation in a program described in item (bb) selected from those approved applications that provide a case number (in lieu of income information) verifying the participation.

(bb) PROGRAMS.—The programs described in this item are—

(AA) the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

(BB) the food distribution program on Indian reservations established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b)); and

(CC) a State program funded under the program of block grants to States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995.

(IV) CONDITIONS.—The conditions referred to in subclause (I) shall be met for a local educational agency for a school year if—

(aa) the nonresponse rate for the local educational agency for the preceding school year is less than 20 percent; or

(bb) the local educational agency has more than 20,000 children approved by application by the local educational agency as eligible for free or reduced price meals for the school year, as of October 1 of the school year, and—

(AA) the nonresponse rate for the preceding school year is at least 10 percent below the nonresponse rate for the second preceding school year; or

(BB) in the case of the school year beginning July 2005, the local educational agency attempts to verify all approved household applications selected for verification through use of public agency records from at least 2 of the programs or sources of information described in subparagraph (F)(i).

(v) ADDITIONAL SELECTED APPLICATIONS.—A sample for a local educational agency for a school year under clauses (iii) and (iv)(III)(AA) shall include the number of additional randomly selected approved household applications that are required to comply with the sample size requirements in those clauses.

(E) PRELIMINARY REVIEW.—

(i) REVIEW FOR ACCURACY.—

(I) IN GENERAL.—Prior to conducting any other verification activity for approved household applications selected for verification, the local educational agency shall ensure that the initial eligibility determination for each approved household application is reviewed for accuracy by an individual other than the individual making the initial eligibility determination, unless otherwise determined by the Secretary.

(II) WAIVER.—The requirements of subclause (I) shall be waived for a local educational agency if the local educational agency is using a technology-based solution that demonstrates a high level of accuracy, to the satisfaction of the Secretary, in processing an initial eligibility determination in accordance with the income eligibility guidelines of the school lunch program.

(ii) CORRECT ELIGIBILITY DETERMINATION.—If the review indicates that the initial eligibility determination is correct, the local educational agency shall verify the approved household application.

(iii) INCORRECT ELIGIBILITY DETERMINATION.—If the review indicates that the initial eligibility determination is incorrect, the local educational agency shall (as determined by the Secretary)—

(I) correct the eligibility status of the household;

(II) notify the household of the change;

(III) in any case in which the review indicates that the household is not eligible for free or reduced-price meals, notify the household of the reason for the ineligibility and that the household may reapply with income documentation for free or reduced-price meals; and

(IV) in any case in which the review indicates that the household is eligible for free or reduced-price meals, verify the approved household application.

(F) DIRECT VERIFICATION.—

(i) IN GENERAL.—Subject to clauses (ii) and (iii), to verify eligibility for free or reduced price meals for approved household applications selected for verification, the local educational agency may (in accordance with criteria established by the Secretary) first obtain and use income and program participation information from a public agency administering—

(I) the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

(II) the food distribution program on Indian reservations established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b));

(III) the temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(IV) the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.); or

(V) a similar income-tested program or other source of information, as determined by the Secretary.

(ii) FREE MEALS.—Public agency records that may be obtained and used under clause (i) to verify eligibility for free meals for approved household applications selected for verification shall include the most recent available information (other than information reflecting program participation or income before the 180-day period ending on the date of application for free meals) that is relied on to administer—

(I) a program or source of information described in clause (i) (other than clause (i)(IV)); or

(II) the State plan for medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) in—

(aa) a State in which the income eligibility limit applied under section 1902(1)(2)(C) of that Act (42 U.S.C. 1396a(1)(2)(C)) is not more than 133 percent of the official poverty line described in section 1902(1)(2)(A) of that Act (42 U.S.C. 1396a(1)(2)(A)); or

(bb) a State that otherwise identifies households that have income that is not more than 133 percent of the official poverty line described in section 1902(1)(2)(A) of that Act (42 U.S.C. 1396a(1)(2)(A)).

(iii) REDUCED PRICE MEALS.—Public agency records that may be obtained and used under clause (i) to verify eligibility for reduced price meals for approved household applications selected for verification shall include the most recent available information (other than information reflecting program participation or income before the 180-day period ending on the date of application for reduced price meals) that is relied on to administer—

(I) a program or source of information described in clause (i) (other than clause (i)(IV)); or
 (II) the State plan for medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) in—

(aa) a State in which the income eligibility limit applied under section 1902(l)(2)(C) of that Act (42 U.S.C. 1396a(l)(2)(C)) is not more than 185 percent of the official poverty line described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)); or

(bb) a State that otherwise identifies households that have income that is not more than 185 percent of the official poverty line described in section 1902(l)(2)(A) of that Act (42 U.S.C. 1396a(l)(2)(A)).

(iv) EVALUATION.—Not later than 3 years after the date of enactment of this subparagraph, the Secretary shall complete an evaluation of—

(I) the effectiveness of direct verification carried out under this subparagraph in decreasing the portion of the verification sample that must be verified under subparagraph (G) while ensuring that adequate verification information is obtained; and

(II) the feasibility of direct verification by State agencies and local educational agencies.

(v) EXPANDED USE OF DIRECT VERIFICATION.—If the Secretary determines that direct verification significantly decreases the portion of the verification sample that must be verified under subparagraph (G), while ensuring that adequate verification information is obtained, and can be conducted by most State agencies and local educational agencies, the Secretary may require a State agency or local educational agency to implement direct verification through 1 or more of the programs described in clause (i), as determined by the Secretary, unless the State agency or local educational agency demonstrates (under criteria established by the Secretary) that the State agency or local educational agency lacks the capacity to conduct, or is unable to implement, direct verification.

(G) HOUSEHOLD VERIFICATION.—

(i) IN GENERAL.—If an approved household application is not verified through the use of public agency records, a local educational agency shall provide to the household written notice that—

(I) the approved household application has been selected for verification; and

(II) the household is required to submit verification information to confirm eligibility for free or reduced price meals.

(ii) PHONE NUMBER.—The written notice in clause (i) shall include a toll-free phone number that parents and legal guardians in households selected for

verification can call for assistance with the verification process.

(iii) FOLLOWUP ACTIVITIES.—If a household does not respond to a verification request, a local educational agency shall make at least 1 attempt to obtain the necessary verification from the household in accordance with guidelines and regulations promulgated by the Secretary.

(iv) CONTRACT AUTHORITY FOR SCHOOL FOOD AUTHORITIES.—A local educational agency may contract (under standards established by the Secretary) with a third party to assist the local educational agency in carrying out clause (iii).

(H) VERIFICATION DEADLINE.—

(i) GENERAL DEADLINE.—

(I) IN GENERAL.—Subject to subclause (II), not later than November 15 of each school year, a local educational agency shall complete the verification activities required for the school year (including followup activities).

(II) EXTENSION.—Under criteria established by the Secretary, a State may extend the deadline established under subclause (I) for a school year for a local educational agency to December 15 of the school year.

(ii) ELIGIBILITY CHANGES.—Based on the verification activities, the local educational agency shall make appropriate modifications to the eligibility determinations made for household applications in accordance with criteria established by the Secretary.

(I) LOCAL CONDITIONS.—In the case of a natural disaster, civil disorder, strike, or other local condition (as determined by the Secretary), the Secretary may substitute alternatives for—

(i) the sample size and sample selection criteria established under subparagraph (D); and

(ii) the verification deadline established under subparagraph (H).

(J) INDIVIDUAL REVIEW.—In accordance with criteria established by the Secretary, the local educational agency may, on individual review—

(i) decline to verify no more than 5 percent of approved household applications selected under subparagraph (D); and

(ii) replace the approved household applications with other approved household applications to be verified.

(K) FEASIBILITY STUDY.—

(i) IN GENERAL.—The Secretary shall conduct a study of the feasibility of using computer technology (including data mining) to reduce—

(I) overcertification errors in the school lunch program under this Act;

(II) waste, fraud, and abuse in connection with this paragraph; and

(III) errors, waste, fraud, and abuse in other nutrition programs, as determined to be appropriate by the Secretary.

(ii) REPORT.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing—

(I) the results of the feasibility study conducted under this subsection;

(II) how a computer system using technology described in clause (i) could be implemented;

(III) a plan for implementation; and

(IV) proposed legislation, if necessary, to implement the system.

(4) DIRECT CERTIFICATION FOR CHILDREN IN SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM HOUSEHOLDS.—

(A) IN GENERAL.—Subject to subparagraph (D), each State agency shall enter into an agreement with the State agency conducting eligibility determinations for the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

(B) PROCEDURES.—Subject to paragraph (6), the agreement shall establish procedures under which a child who is a member of a household receiving assistance under the supplemental nutrition assistance program shall be certified as eligible for free lunches under this Act and free breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), without further application.

(C) CERTIFICATION.—Subject to paragraph (6), under the agreement, the local educational agency conducting eligibility determinations for a school lunch program under this Act and a school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall certify a child who is a member of a household receiving assistance under the supplemental nutrition assistance program as eligible for free lunches under this Act and free breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), without further application.

(D) APPLICABILITY.—This paragraph applies to—

(i) in the case of the school year beginning July 2006, a school district that had an enrollment of 25,000 students or more in the preceding school year;

(ii) in the case of the school year beginning July 2007, a school district that had an enrollment of 10,000 students or more in the preceding school year; and

(iii) in the case of the school year beginning July 2008 and each subsequent school year, each local educational agency.

(E) PERFORMANCE AWARDS.—

(i) IN GENERAL.—Effective for each of the school years beginning July 1, 2011, July 1, 2012, and July 1, 2013, the Secretary shall offer performance awards

to States to encourage the States to ensure that all children eligible for direct certification under this paragraph are certified in accordance with this paragraph.

(ii) REQUIREMENTS.—For each school year described in clause (i), the Secretary shall—

(I) consider State data from the prior school year, including estimates contained in the report required under section 4301 of the Food, Conservation, and Energy Act of 2008 (42 U.S.C. 1758a); and

(II) make performance awards to not more than 15 States that demonstrate, as determined by the Secretary—

(aa) outstanding performance; and

(bb) substantial improvement.

(iii) USE OF FUNDS.—A State agency that receives a performance award under clause (i)—

(I) shall treat the funds as program income; and

(II) may transfer the funds to school food authorities for use in carrying out the program.

(iv) FUNDING.—

(I) IN GENERAL.—On October 1, 2011, and each subsequent October 1 through October 1, 2013, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary—

(aa) \$2,000,000 to carry out clause

(ii)(II)(aa); and

(bb) \$2,000,000 to carry out clause

(ii)(II)(bb).

(II) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this clause the funds transferred under subclause (I), without further appropriation.

(v) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to make a performance award under this subparagraph shall not be subject to administrative or judicial review.

(F) CONTINUOUS IMPROVEMENT PLANS.—

(i) DEFINITION OF REQUIRED PERCENTAGE.—In this subparagraph, the term “required percentage” means—

(I) for the school year beginning July 1, 2011, 80 percent;

(II) for the school year beginning July 1, 2012, 90 percent; and

(III) for the school year beginning July 1, 2013, and each school year thereafter, 95 percent.

(ii) REQUIREMENTS.—Each school year, the Secretary shall—

(I) identify, using data from the prior year, including estimates contained in the report required under section 4301 of the Food, Conservation, and Energy Act of 2008 (42 U.S.C. 1758a), States that directly certify less than the required percentage of the total number of children in the State who are eligible for direct certification under this paragraph;

(II) require the States identified under subclause (I) to implement a continuous improvement plan to fully meet the requirements of this paragraph, which shall include a plan to improve direct certification for the following school year; and

(III) assist the States identified under subclause (I) to develop and implement a continuous improvement plan in accordance with subclause (II).

(iii) FAILURE TO MEET PERFORMANCE STANDARD.—

(I) IN GENERAL.—A State that is required to develop and implement a continuous improvement plan under clause (ii)(II) shall be required to submit the continuous improvement plan to the Secretary, for the approval of the Secretary.

(II) REQUIREMENTS.—At a minimum, a continuous improvement plan under subclause (I) shall include—

(aa) specific measures that the State will use to identify more children who are eligible for direct certification, including improvements or modifications to technology, information systems, or databases;

(bb) a timeline for the State to implement those measures; and

(cc) goals for the State to improve direct certification results.

(G) WITHOUT FURTHER APPLICATION.—

(i) IN GENERAL.—In this paragraph, the term “without further application” means that no action is required by the household of the child.

(ii) CLARIFICATION.—A requirement that a household return a letter notifying the household of eligibility for direct certification or eligibility for free school meals does not meet the requirements of clause (i).

(5) DISCRETIONARY CERTIFICATION.—Subject to paragraph (6), any local educational agency may certify any child as eligible for free lunches or breakfasts, without further application, by directly communicating with the appropriate State or local agency to obtain documentation of the status of the child as—

(A) a member of a family that is receiving assistance under the temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are com-

parable to or more restrictive than those in effect on June 1, 1995;

(B) a homeless child or youth (defined as 1 of the individuals described in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2));

(C) served by the runaway and homeless youth grant program established under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.);

(D) a migratory child (as defined in section 1309 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399)); or

(E)(i) a foster child whose care and placement is the responsibility of an agency that administers a State plan under part B or E of title IV of the Social Security Act (42 U.S.C. 621 et seq.); or

(ii) a foster child who a court has placed with a caretaker household.

(6) USE OR DISCLOSURE OF INFORMATION.—

(A) IN GENERAL.—The use or disclosure of any information obtained from an application for free or reduced price meals, or from a State or local agency referred to in paragraph (3)(F), (4), or (5), shall be limited to—

(i) a person directly connected with the administration or enforcement of this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) (including a regulation promulgated under either Act);

(ii) a person directly connected with the administration or enforcement of—

(I) a Federal education program;

(II) a State health or education program administered by the State or local educational agency (other than a program carried out under title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq.; 42 U.S.C. 1397aa et seq.)); or

(III) a Federal, State, or local means-tested nutrition program with eligibility standards comparable to the school lunch program under this Act;

(iii)(I) the Comptroller General of the United States for audit and examination authorized by any other provision of law; and

(II) notwithstanding any other provision of law, a Federal, State, or local law enforcement official for the purpose of investigating an alleged violation of any program covered by this paragraph or paragraph (3)(F), (4), or (5);

(iv) a person directly connected with the administration of the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or the State children's health insurance program under title XXI of that Act (42 U.S.C. 1397aa et seq.) solely for the purposes of—

(I) identifying children eligible for benefits under, and enrolling children in, those programs, except that this subclause shall apply only to the

extent that the State and the local educational agency or school food authority so elect; and

(II) verifying the eligibility of children for programs under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); and

(v) a third party contractor described in paragraph

(3)(G)(iv).

(B) LIMITATION ON INFORMATION PROVIDED.—Information provided under clause (ii) or (v) of subparagraph (A) shall be limited to the income eligibility status of the child for whom application for free or reduced price meal benefits is made or for whom eligibility information is provided under paragraph (3)(F), (4), or (5), unless the consent of the parent or guardian of the child for whom application for benefits was made is obtained.

(C) CRIMINAL PENALTY.—A person described in subparagraph (A) who publishes, divulges, discloses, or makes known in any manner, or to any extent not authorized by Federal law (including a regulation), any information obtained under this subsection shall be fined not more than \$1,000 or imprisoned not more than 1 year, or both.

(D) REQUIREMENTS FOR WAIVER OF CONFIDENTIALITY.—A State that elects to exercise the option described in subparagraph (A)(iv)(I) shall ensure that any local educational agency or school food authority acting in accordance with that option—

(i) has a written agreement with 1 or more State or local agencies administering health programs for children under titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq. and 1397aa et seq.) that requires the health agencies to use the information obtained under subparagraph (A) to seek to enroll children in those health programs; and

(ii)(I) notifies each household, the information of which shall be disclosed under subparagraph (A), that the information disclosed will be used only to enroll children in health programs referred to in subparagraph (A)(iv); and

(II) provides each parent or guardian of a child in the household with an opportunity to elect not to have the information disclosed.

(E) USE OF DISCLOSED INFORMATION.—A person to which information is disclosed under subparagraph (A)(iv)(I) shall use or disclose the information only as necessary for the purpose of enrolling children in health programs referred to in subparagraph (A)(iv).

(7) FREE AND REDUCED PRICE POLICY STATEMENT.—

(A) IN GENERAL.—After the initial submission, a local educational agency shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the local educational agency.

(B) ROUTINE CHANGE.—A routine change in the policy of a local educational agency (such as an annual adjust-

ment of the income eligibility guidelines for free and reduced price meals) shall not be sufficient cause for requiring the local educational agency to submit a policy statement.

(8) COMMUNICATIONS.—

(A) IN GENERAL.—Any communication with a household under this subsection or subsection (d) shall be in an understandable and uniform format and, to the maximum extent practicable, in a language that parents and legal guardians can understand.

(B) ELECTRONIC AVAILABILITY.—In addition to the distribution of applications and descriptive material in paper form as provided for in this paragraph, the applications and material may be made available electronically via the Internet.

(9) ELIGIBILITY FOR FREE AND REDUCED PRICE LUNCHES.—

(A) FREE LUNCHES.—Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate which does not exceed the applicable family size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), shall be served a free lunch.

(B) REDUCED PRICE LUNCHES.—

(i) IN GENERAL.—Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate greater than the applicable family size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), but less than or equal to the applicable family size income level of the income eligibility guidelines for reduced price lunches, as determined under paragraph (1), shall be served a reduced price lunch.

(ii) MAXIMUM PRICE.—The price charged for a reduced price lunch shall not exceed 40 cents.

(C) DURATION.—Except as otherwise specified in paragraph (3)(E), (3)(H)(ii), and section 11(a), eligibility for free or reduced price meals for any school year shall remain in effect—

(i) beginning on the date of eligibility approval for the current school year; and

(ii) ending on a date during the subsequent school year determined by the Secretary.

(10) No physical segregation of or other discrimination against any child eligible for a free lunch or a reduced price lunch under this subsection shall be made by the school nor shall there be any overt identification of any child by special tokens or tickets, announced or published list of names, or by other means.

(11) Any child who has a parent or guardian who (A) is responsible for the principal support of such child and (B) is unemployed shall be served a free or reduced price lunch, respectively, during any period (i) in which such child's parent or guardian continues to be unemployed and (ii) the income of the child's parents or guardians during such period of unemployment falls within the income eligibility criteria for free lunches or reduced price lunches, respectively, based on the current rate of income of such parents

or guardians. Local educational agencies shall publicly announce that such children are eligible for free or reduced price lunch, and shall make determinations with respect to the status of any parent or guardian of any child under clauses (A) and (B) of the preceding sentence on the basis of a statement executed in such form as the Secretary may prescribe by such parent or guardian. No physical segregation of, or other discrimination against, any child eligible for a free or reduced price lunch under this paragraph shall be made by the school nor shall there be any overt identification of any such child by special tokens or tickets, announced or published lists of names, or by any other means.

(12)(A) A child shall be considered automatically eligible for a free lunch and breakfast under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), respectively, without further application or eligibility determination, if the child is—

(i) a member of a household receiving assistance under the supplemental nutrition assistance program authorized under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

(ii) a member of a family (under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995;

(iii) enrolled as a participant in a Head Start program authorized under the Head Start Act (42 U.S.C. 9831 et seq.), on the basis of a determination that the child meets the eligibility criteria prescribed under section 645(a)(1)(B) of the Head Start Act (42 U.S.C. 9840(a)(1)(B));

(iv) a homeless child or youth (defined as 1 of the individuals described in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)));

(v) served by the runaway and homeless youth grant program established under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.);

(vi) a migratory child (as defined in section 1309 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399)); or

(vii)(I) a foster child whose care and placement is the responsibility of an agency that administers a State plan under part B or E of title IV of the Social Security Act (42 U.S.C. 621 et seq.); or

(II) a foster child who a court has placed with a caretaker household.

(B) Proof of receipt of supplemental nutrition assistance program benefits or assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995, or of enrollment or participation in a Head Start program on the basis described in subparagraph (A)(iii), shall be sufficient to satisfy any verification requirement imposed under this subsection.

(13) EXCLUSION OF CERTAIN MILITARY HOUSING ALLOWANCES.—The amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of a member of a uniformed service for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law, shall not be considered to be income for the purpose of determining the eligibility of a child who is a member of the household of the member of a uniformed service for free or reduced price lunches under this Act.

(14) COMBAT PAY.—

(A) DEFINITION OF COMBAT PAY.—In this paragraph, the term “combat pay” means any additional payment under chapter 5 of title 37, United States Code, or otherwise designated by the Secretary to be appropriate for exclusion under this paragraph, that is received by or from a member of the United States Armed Forces deployed to a designated combat zone, if the additional pay—

(i) is the result of deployment to or service in a combat zone; and

(ii) was not received immediately prior to serving in a combat zone.

(B) EXCLUSION.—Combat pay shall not be considered to be income for the purpose of determining the eligibility for free or reduced price meals of a child who is a member of the household of a member of the United States Armed Forces.

(15) DIRECT CERTIFICATION FOR CHILDREN RECEIVING MEDICAID BENEFITS.—

(A) DEFINITIONS.—In this paragraph:

(i) ELIGIBLE CHILD.—The term “eligible child” means a child—

(I)(aa) who is eligible for and receiving medical assistance under the Medicaid program; and

(bb) who is a member of a family with an income as measured by the Medicaid program before the application of any expense, block, or other income disregard, that does not exceed 133 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2), including any revision required by such section)) applicable to a family of the size used for purposes of determining eligibility for the Medicaid program; or

(II) who is a member of a household (as that term is defined in section 245.2 of title 7, Code of Federal Regulations (or successor regulations) with a child described in subclause (I).

(ii) MEDICAID PROGRAM.—The term “Medicaid program” means the program of medical assistance established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(B) DEMONSTRATION PROJECT.—

(i) IN GENERAL.—The Secretary, acting through the Administrator of the Food and Nutrition Service

and in cooperation with selected State agencies, shall conduct a demonstration project in selected local educational agencies to determine whether direct certification of eligible children is an effective method of certifying children for free lunches and breakfasts under section 9(b)(1)(A) of this Act and section 4(e)(1)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)(A)).

(ii) SCOPE OF PROJECT.—The Secretary shall carry out the demonstration project under this subparagraph—

(I) for the school year beginning July 1, 2012, in selected local educational agencies that collectively serve 2.5 percent of students certified for free and reduced price meals nationwide, based on the most recent available data;

(II) for the school year beginning July 1, 2013, in selected local educational agencies that collectively serve 5 percent of students certified for free and reduced price meals nationwide, based on the most recent available data; and

(III) for the school year beginning July 1, 2014, and each subsequent school year, in selected local educational agencies that collectively serve 10 percent of students certified for free and reduced price meals nationwide, based on the most recent available data.

(iii) PURPOSES OF THE PROJECT.—At a minimum, the purposes of the demonstration project shall be—

(I) to determine the potential of direct certification with the Medicaid program to reach children who are eligible for free meals but not certified to receive the meals;

(II) to determine the potential of direct certification with the Medicaid program to directly certify children who are enrolled for free meals based on a household application; and

(III) to provide an estimate of the effect on Federal costs and on participation in the school lunch program under this Act and the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) of direct certification with the Medicaid program.

(iv) COST ESTIMATE.—For each of 2 school years of the demonstration project, the Secretary shall estimate the cost of the direct certification of eligible children for free school meals through data derived from—

(I) the school meal programs authorized under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

(II) the Medicaid program; and

(III) interviews with a statistically representative sample of households.

(C) AGREEMENT.—

(i) IN GENERAL.—Not later than July 1 of the first school year during which a State agency will participate in the demonstration project, the State agency shall enter into an agreement with the 1 or more State agencies conducting eligibility determinations for the Medicaid program.

(ii) WITHOUT FURTHER APPLICATION.—Subject to paragraph (6), the agreement described in subparagraph (D) shall establish procedures under which an eligible child shall be certified for free lunches under this Act and free breakfasts under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), without further application (as defined in paragraph (4)(G)).

(D) CERTIFICATION.—For the school year beginning on July 1, 2012, and each subsequent school year, subject to paragraph (6), the local educational agencies participating in the demonstration project shall certify an eligible child as eligible for free lunches under this Act and free breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), without further application (as defined in paragraph (4)(G)).

(E) SITE SELECTION.—

(i) IN GENERAL.—To be eligible to participate in the demonstration project under this subsection, a State agency shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(ii) CONSIDERATIONS.—In selecting States and local educational agencies for participation in the demonstration project, the Secretary may take into consideration such factors as the Secretary considers to be appropriate, which may include—

(I) the rate of direct certification;

(II) the share of individuals who are eligible for benefits under the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) who participate in the program, as determined by the Secretary;

(III) the income eligibility limit for the Medicaid program;

(IV) the feasibility of matching data between local educational agencies and the Medicaid program;

(V) the socioeconomic profile of the State or local educational agencies; and

(VI) the willingness of the State and local educational agencies to comply with the requirements of the demonstration project.

(F) ACCESS TO DATA.—For purposes of conducting the demonstration project under this paragraph, the Secretary shall have access to—

(i) educational and other records of State and local educational and other agencies and institutions receiving funding or providing benefits for 1 or more pro-

grams authorized under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); and

(ii) income and program participation information from public agencies administering the Medicaid program.

(G) REPORT TO CONGRESS.—

(i) IN GENERAL.—Not later than October 1, 2014, the Secretary shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, an interim report that describes the results of the demonstration project required under this paragraph.

(ii) FINAL REPORT.—Not later than October 1, 2015, the Secretary shall submit a final report to the committees described in clause (i).

(H) FUNDING.—

(i) IN GENERAL.—On October 1, 2010, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out subparagraph (G) \$5,000,000, to remain available until expended.

(ii) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out subparagraph (G) the funds transferred under clause (i), without further appropriation.

(c) School lunch programs under this Act shall be operated on a nonprofit basis. Commodities purchased under the authority of section 32 of the Act of August 24, 1935, may be donated by the Secretary to schools, in accordance with the needs as determined by local school authorities, for utilization in the school lunch program under this Act as well as to other schools carrying out nonprofit school lunch programs and institutions authorized to receive such commodities. The requirements of this section relating to the service of meals without cost or at a reduced cost shall apply to the lunch program of any school utilizing commodities donated under any provision of law.

(d)(1) The Secretary shall require as a condition of eligibility for receipt of free or reduced price lunches that the member of the household who executes the application furnish the last 4 digits of the social security account number of the parent or guardian who is the primary wage earner responsible for the care of the child for whom the application is made, or that of another appropriate adult member of the child's household, as determined by the Secretary.

(2) No member of a household may be provided a free or reduced price lunch under this Act unless—

(A) appropriate documentation relating to the income of such household (as prescribed by the Secretary) has been provided to the appropriate local educational agency so that the local educational agency may calculate the total income of such household;

(B) documentation showing that the household is participating in the supplemental nutrition assistance program under the Food and Nutrition Act of 2008 has been provided to the appropriate local educational agency;

(C) documentation has been provided to the appropriate local educational agency showing that the family is receiving assistance under the State program funded under part A of title IV of the Social Security Act that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995;

(D) documentation has been provided to the appropriate local educational agency showing that the child meets the criteria specified in clauses (iv) or (v) of subsection (b)(12)(A);

(E) documentation has been provided to the appropriate local educational agency showing the status of the child as a migratory child (as defined in section 1309 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399));

(F)(i) documentation has been provided to the appropriate local educational agency showing the status of the child as a foster child whose care and placement is the responsibility of an agency that administers a State plan under part B or E of title IV of the Social Security Act (42 U.S.C. 621 et seq.); or

(ii) documentation has been provided to the appropriate local educational agency showing the status of the child as a foster child who a court has placed with a caretaker household; or

(G) documentation has been provided to the appropriate local educational agency showing the status of the child as an eligible child (as defined in subsection (b)(15)(A)).

(e) A school or school food authority participating in a program under this Act may not contract with a food service company to provide a la carte food service unless the company agrees to offer free, reduced price, and full-price reimbursable meals to all eligible children.

(f) NUTRITIONAL REQUIREMENTS.—

(1) IN GENERAL.—Schools that are participating in the school lunch program or school breakfast program shall serve lunches and breakfasts that—

(A) are consistent with the goals of the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341); and

(B) consider the nutrient needs of children who may be at risk for inadequate food intake and food insecurity.

(2) To assist schools in meeting the requirements of this subsection, the Secretary—

(A) shall—

(i) develop, and provide to schools, standardized recipes, menu cycles, and food product specification and preparation techniques; and

(ii) provide to schools information regarding nutrient standard menu planning, assisted nutrient standard menu planning, and food-based menu systems; and

(B) may provide to schools information regarding other approaches, as determined by the Secretary.

(3) USE OF ANY REASONABLE APPROACH.—

(A) IN GENERAL.—A school food service authority may use any reasonable approach, within guidelines established by the Secretary in a timely manner, to meet the requirements of this subsection, including—

(i) using the school nutrition meal pattern in effect for the 1994–1995 school year; and

(ii) using any of the approaches described in paragraph (3).

(B) NUTRIENT ANALYSIS.—The Secretary may not require a school to conduct or use a nutrient analysis to meet the requirements of this subsection.

(4) WAIVER OF REQUIREMENT FOR WEIGHTED AVERAGES FOR NUTRIENT ANALYSIS.—During the period ending on September 30, 2010, the Secretary shall not require the use of weighted averages for nutrient analysis of menu items and foods offered or served as part of a meal offered or served under the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

(g) Not later than 1 year after the date of enactment of this subsection, the Secretary shall provide a notification to Congress that justifies the need for production records required under section 210.10(b) of title 7, Code of Federal Regulations, and describes how the Secretary has reduced paperwork relating to the school lunch and school breakfast programs.

(h) FOOD SAFETY.—

(1) IN GENERAL.—A school participating in the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) shall—

(A) at least twice during each school year, obtain a food safety inspection conducted by a State or local governmental agency responsible for food safety inspections;

(B) post in a publicly visible location a report on the most recent inspection conducted under subparagraph (A); and

(C) on request, provide a copy of the report to a member of the public.

(2) STATE AND LOCAL GOVERNMENT INSPECTIONS.—Nothing in paragraph (1) prevents any State or local government from adopting or enforcing any requirement for more frequent food safety inspections of schools.

(3) AUDITS AND REPORTS BY STATES.—For fiscal year **[2018]** 2019, each State shall annually—

(A) audit food safety inspections of schools conducted under paragraphs (1) and (2); and

(B) submit to the Secretary a report of the results of the audit.

(4) AUDIT BY THE SECRETARY.—For fiscal year **[2018]** 2019, the Secretary shall annually audit State reports of food safety inspections of schools submitted under paragraph (3).

(5) SCHOOL FOOD SAFETY PROGRAM.—

(A) IN GENERAL.—Each school food authority shall implement a school food safety program, in the preparation and service of each meal served to children, that complies

with any hazard analysis and critical control point system established by the Secretary.

(B) APPLICABILITY.—Subparagraph (A) shall apply to any facility or part of a facility in which food is stored, prepared, or served for the purposes of the school nutrition programs under this Act or section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

(i) SINGLE PERMANENT AGREEMENT BETWEEN STATE AGENCY AND SCHOOL FOOD AUTHORITY; COMMON CLAIMS FORM.—

(1) IN GENERAL.—If a single State agency administers any combination of the school lunch program under this Act, the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), the summer food service program for children under section 13 of this Act, or the child and adult care food program under section 17 of this Act, the agency shall—

(A) require each school food authority to submit to the State agency a single agreement with respect to the operation by the authority of the programs administered by the State agency; and

(B) use a common claims form with respect to meals and supplements served under the programs administered by the State agency.

(2) ADDITIONAL REQUIREMENT.—The agreement described in paragraph (1)(A) shall be a permanent agreement that may be amended as necessary.

(j) PURCHASES OF LOCALLY PRODUCED FOODS.—The Secretary shall—

(1) encourage institutions receiving funds under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to purchase unprocessed agricultural products, both locally grown and locally raised, to the maximum extent practicable and appropriate;

(2) advise institutions participating in a program described in paragraph (1) of the policy described in that paragraph and paragraph (3) and post information concerning the policy on the website maintained by the Secretary; and

(3) allow institutions receiving funds under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), including the Department of Defense Fresh Fruit and Vegetable Program, to use a geographic preference for the procurement of unprocessed agricultural products, both locally grown and locally raised.

(k) INFORMATION ON THE SCHOOL NUTRITION ENVIRONMENT.—

(1) IN GENERAL.—The Secretary shall—

(A) establish requirements for local educational agencies participating in the school lunch program under this Act and the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) to report information about the school nutrition environment, for all schools under the jurisdiction of the local educational agencies, to the Secretary and to the public in the State on a periodic basis; and

(B) provide training and technical assistance to States and local educational agencies on the assessment and re-

porting of the school nutrition environment, including the use of any assessment materials developed by the Secretary.

(2) REQUIREMENTS.—In establishing the requirements for reporting on the school nutrition environment under paragraph (1), the Secretary shall—

(A) include information pertaining to food safety inspections, local wellness policies, meal program participation, the nutritional quality of program meals, and other information as determined by the Secretary; and

(B) ensure that information is made available to the public by local educational agencies in an accessible, easily understood manner in accordance with guidelines established by the Secretary.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 2011 through 2015.

(l) FOOD DONATION PROGRAM.—

(1) IN GENERAL.—Each school and local educational agency participating in the school lunch program under this Act may donate any food not consumed under such program to eligible local food banks or charitable organizations.

(2) GUIDANCE.—

(A) IN GENERAL.—Not later than 180 days after the date of the enactment of this subsection, the Secretary shall develop and publish guidance to schools and local educational agencies participating in the school lunch program under this Act to assist such schools and local educational agencies in donating food under this subsection.

(B) UPDATES.—The Secretary shall update such guidance as necessary.

(3) LIABILITY.—Any school or local educational agency making donations pursuant to this subsection shall be exempt from civil and criminal liability to the extent provided under the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791).

(4) DEFINITION.—In this subsection, the term “eligible local food banks or charitable organizations” means any food bank or charitable organization which is exempt from tax under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)).

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SEC. 26. INFORMATION CLEARINGHOUSE.

(a) IN GENERAL.—The Secretary shall enter into a contract with a nongovernmental organization described in subsection (b) to establish and maintain a clearinghouse to provide information to nongovernmental groups located throughout the United States that assist low-income individuals or communities regarding food assistance, self-help activities to aid individuals in becoming self-reliant, and other activities that empower low-income individuals or communities to improve the lives of low-income individuals and reduce reliance on Federal, State, or local governmental agencies for food or other assistance.

(b) NONGOVERNMENTAL ORGANIZATION.—The nongovernmental organization referred to in subsection (a) shall be selected on a competitive basis and shall—

(1) be experienced in the gathering of first-hand information in all the States through onsite visits to grassroots organizations in each State that fight hunger and poverty or that assist individuals in becoming self-reliant;

(2) be experienced in the establishment of a clearinghouse similar to the clearinghouse described in subsection (a);

(3) agree to contribute in-kind resources towards the establishment and maintenance of the clearinghouse and agree to provide clearinghouse information, free of charge, to the Secretary, States, counties, cities, antihunger groups, and grassroots organizations that assist individuals in becoming self-sufficient and self-reliant;

(4) be sponsored by an organization, or be an organization, that—

(A) has helped combat hunger for at least 10 years;

(B) is committed to reinvesting in the United States;

and

(C) is knowledgeable regarding Federal nutrition programs;

(5) be experienced in communicating the purpose of the clearinghouse through the media, including the radio and print media, and be able to provide access to the clearinghouse information through computer or telecommunications technology, as well as through the mails; and

(6) be able to provide examples, advice, and guidance to States, counties, cities, communities, antihunger groups, and local organizations regarding means of assisting individuals and communities to reduce reliance on government programs, reduce hunger, improve nutrition, and otherwise assist low-income individuals and communities become more self-sufficient.

(c) AUDITS.—The Secretary shall establish fair and reasonable auditing procedures regarding the expenditures of funds to carry out this section.

(d) FUNDING.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall pay to the Secretary to provide to the organization selected under this section, to establish and maintain the information clearinghouse, \$200,000 for each of fiscal years 1995 and 1996, \$150,000 for fiscal year 1997, \$100,000 for fiscal year 1998, \$166,000 for each of fiscal years 1999 through 2004, and \$250,000 for each of fiscal years **[2010 through 2018]** *2010 through 2019*. The Secretary shall be entitled to receive the funds and shall accept the funds, without further appropriation.

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COMMODITY EXCHANGE ACT

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SEC. 4s. REGISTRATION AND REGULATION OF SWAP DEALERS AND MAJOR SWAP PARTICIPANTS.

(a) REGISTRATION.—

(1) SWAP DEALERS.—It shall be unlawful for any person to act as a swap dealer unless the person is registered as a swap dealer with the Commission.

(2) MAJOR SWAP PARTICIPANTS.—It shall be unlawful for any person to act as a major swap participant unless the person is registered as a major swap participant with the Commission.

(b) REQUIREMENTS.—

(1) IN GENERAL.—A person shall register as a swap dealer or major swap participant by filing a registration application with the Commission.

(2) CONTENTS.—

(A) IN GENERAL.—The application shall be made in such form and manner as prescribed by the Commission, and shall contain such information, as the Commission considers necessary concerning the business in which the applicant is or will be engaged.

(B) CONTINUAL REPORTING.—A person that is registered as a swap dealer or major swap participant shall continue to submit to the Commission reports that contain such information pertaining to the business of the person as the Commission may require.

(3) EXPIRATION.—Each registration under this section shall expire at such time as the Commission may prescribe by rule or regulation.

(4) RULES.—Except as provided in subsections (d) and (e), the Commission may prescribe rules applicable to swap dealers and major swap participants, including rules that limit the activities of swap dealers and major swap participants.

(5) TRANSITION.—Rules under this section shall provide for the registration of swap dealers and major swap participants not later than 1 year after the date of enactment of the Wall Street Transparency and Accountability Act of 2010.

(6) STATUTORY DISQUALIFICATION.—Except to the extent otherwise specifically provided by rule, regulation, or order, it shall be unlawful for a swap dealer or a major swap participant to permit any person associated with a swap dealer or a major swap participant who is subject to a statutory disqualification to effect or be involved in effecting swaps on behalf of the swap dealer or major swap participant, if the swap dealer or major swap participant knew, or in the exercise of reasonable care should have known, of the statutory disqualification.

(c) DUAL REGISTRATION.—

(1) SWAP DEALER.—Any person that is required to be registered as a swap dealer under this section shall register with the Commission regardless of whether the person also is a depository institution or is registered with the Securities and Exchange Commission as a security-based swap dealer.

(2) MAJOR SWAP PARTICIPANT.—Any person that is required to be registered as a major swap participant under this section shall register with the Commission regardless of whether the person also is a depository institution or is registered with the Securities and Exchange Commission as a major security-based swap participant.

(d) RULEMAKINGS.—

(1) IN GENERAL.—The Commission shall adopt rules for persons that are registered as swap dealers or major swap participants under this section.

(2) EXCEPTION FOR PRUDENTIAL REQUIREMENTS.—

(A) IN GENERAL.—The Commission may not prescribe rules imposing prudential requirements on swap dealers or major swap participants for which there is a prudential regulator.

(B) APPLICABILITY.—Subparagraph (A) does not limit the authority of the Commission to prescribe rules as directed under this section.

(e) CAPITAL AND MARGIN REQUIREMENTS.—

(1) IN GENERAL.—

(A) SWAP DEALERS AND MAJOR SWAP PARTICIPANTS THAT ARE BANKS.—Each registered swap dealer and major swap participant for which there is a prudential regulator shall meet such minimum capital requirements and minimum initial and variation margin requirements as the prudential regulator shall by rule or regulation prescribe under paragraph (2)(A).

(B) SWAP DEALERS AND MAJOR SWAP PARTICIPANTS THAT ARE NOT BANKS.—Each registered swap dealer and major swap participant for which there is not a prudential regulator shall meet such minimum capital requirements and minimum initial and variation margin requirements as the Commission shall by rule or regulation prescribe under paragraph (2)(B).

(2) RULES.—

(A) SWAP DEALERS AND MAJOR SWAP PARTICIPANTS THAT ARE BANKS.—The prudential regulators, in consultation with the Commission and the Securities and Exchange Commission, shall jointly adopt rules for swap dealers and major swap participants, with respect to their activities as a swap dealer or major swap participant, for which there is a prudential regulator imposing—

(i) capital requirements; and

(ii) both initial and variation margin requirements on all swaps that are not cleared by a registered derivatives clearing organization.

(B) SWAP DEALERS AND MAJOR SWAP PARTICIPANTS THAT ARE NOT BANKS.—The Commission shall adopt rules for swap dealers and major swap participants, with respect to their activities as a swap dealer or major swap participant, for which there is not a prudential regulator imposing—

(i) capital requirements; and

(ii) both initial and variation margin requirements on all swaps that are not cleared by a registered derivatives clearing organization.

(C) CAPITAL.—In setting capital requirements for a person that is designated as a swap dealer or a major swap participant for a single type or single class or category of swap or activities, the prudential regulator and the Commission shall take into account the risks associated with other types of swaps or classes of swaps or cat-

egories of swaps engaged in and the other activities conducted by that person that are not otherwise subject to regulation applicable to that person by virtue of the status of the person as a swap dealer or a major swap participant.

(3) STANDARDS FOR CAPITAL AND MARGIN.—

(A) IN GENERAL.—To offset the greater risk to the swap dealer or major swap participant and the financial system arising from the use of swaps that are not cleared, the requirements imposed under paragraph (2) shall—

(i) help ensure the safety and soundness of the swap dealer or major swap participant; and

(ii) be appropriate for the risk associated with the non-cleared swaps held as a swap dealer or major swap participant.

(B) RULE OF CONSTRUCTION.—

(i) IN GENERAL.—Nothing in this section shall limit, or be construed to limit, the authority—

(I) of the Commission to set financial responsibility rules for a futures commission merchant or introducing broker registered pursuant to section 4f(a) (except for section 4f(a)(3)) in accordance with section 4f(b); or

(II) of the Securities and Exchange Commission to set financial responsibility rules for a broker or dealer registered pursuant to section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) (except for section 15(b)(11) of that Act (15 U.S.C. 78o(b)(11)) in accordance with section 15(c)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(3)).

(ii) FUTURES COMMISSION MERCHANTS AND OTHER DEALERS.—A futures commission merchant, introducing broker, broker, or dealer shall maintain sufficient capital to comply with the stricter of any applicable capital requirements to which such futures commission merchant, introducing broker, broker, or dealer is subject to under this Act or the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.).

(C) MARGIN REQUIREMENTS.—In prescribing margin requirements under this subsection, the prudential regulator with respect to swap dealers and major swap participants for which it is the prudential regulator and the Commission with respect to swap dealers and major swap participants for which there is no prudential regulator shall permit the use of noncash collateral, as the regulator or the Commission determines to be consistent with—

(i) preserving the financial integrity of markets trading swaps; and

(ii) preserving the stability of the United States financial system.

(D) COMPARABILITY OF CAPITAL AND MARGIN REQUIREMENTS.—

(i) IN GENERAL.—The prudential regulators, the Commission, and the Securities and Exchange Com-

mission shall periodically (but not less frequently than annually) consult on minimum capital requirements and minimum initial and variation margin requirements.

(ii) COMPARABILITY.—The entities described in clause (i) shall, to the maximum extent practicable, establish and maintain comparable minimum capital requirements and minimum initial and variation margin requirements, including the use of non cash collateral, for—

- (I) swap dealers; and
- (II) major swap participants.

(4) APPLICABILITY WITH RESPECT TO COUNTERPARTIES.—(A) The requirements of paragraphs (2)(A)(ii) and (2)(B)(ii), including the initial and variation margin requirements imposed by rules adopted pursuant to paragraphs (2)(A)(ii) and (2)(B)(ii), shall not apply to a swap in which a counterparty qualifies for an exception under section 2(h)(7)(A), or an exemption issued under section 4(c)(1) from the requirements of section 2(h)(1)(A) for cooperative entities as defined in such exemption, or satisfies the criteria in section 2(h)(7)(D).

(B) The initial margin requirements imposed by rules adopted pursuant to paragraphs (2)(A)(ii) and (2)(B)(ii) shall not apply to any swap in which—

- (i) one counterparty is a person in which the other counterparty, directly or indirectly, holds a majority ownership interest; or*
- (ii) a third party, directly or indirectly, holds a majority ownership interest in both counterparties.*

(f) REPORTING AND RECORDKEEPING.—

(1) IN GENERAL.—Each registered swap dealer and major swap participant—

(A) shall make such reports as are required by the Commission by rule or regulation regarding the transactions and positions and financial condition of the registered swap dealer or major swap participant;

(B)(i) for which there is a prudential regulator, shall keep books and records of all activities related to the business as a swap dealer or major swap participant in such form and manner and for such period as may be prescribed by the Commission by rule or regulation; and

(ii) for which there is no prudential regulator, shall keep books and records in such form and manner and for such period as may be prescribed by the Commission by rule or regulation;

(C) shall keep books and records described in subparagraph (B) open to inspection and examination by any representative of the Commission; and

(D) shall keep any such books and records relating to swaps defined in section 1a(47)(A)(v) open to inspection and examination by the Securities and Exchange Commission.

(2) RULES.—The Commission shall adopt rules governing reporting and recordkeeping for swap dealers and major swap participants.

(g) DAILY TRADING RECORDS.—

(1) IN GENERAL.—Each registered swap dealer and major swap participant shall maintain daily trading records of the swaps of the registered swap dealer and major swap participant and all related records (including related cash or forward transactions) and recorded communications, including electronic mail, instant messages, and recordings of telephone calls, for such period as may be required by the Commission by rule or regulation.

(2) INFORMATION REQUIREMENTS.—The daily trading records shall include such information as the Commission shall require by rule or regulation.

(3) COUNTERPARTY RECORDS.—Each registered swap dealer and major swap participant shall maintain daily trading records for each counterparty in a manner and form that is identifiable with each swap transaction.

(4) AUDIT TRAIL.—Each registered swap dealer and major swap participant shall maintain a complete audit trail for conducting comprehensive and accurate trade reconstructions.

(5) RULES.—The Commission shall adopt rules governing daily trading records for swap dealers and major swap participants.

(h) BUSINESS CONDUCT STANDARDS.—

(1) IN GENERAL.—Each registered swap dealer and major swap participant shall conform with such business conduct standards as prescribed in paragraph (3) and as may be prescribed by the Commission by rule or regulation that relate to—

(A) fraud, manipulation, and other abusive practices involving swaps (including swaps that are offered but not entered into);

(B) diligent supervision of the business of the registered swap dealer and major swap participant;

(C) adherence to all applicable position limits; and

(D) such other matters as the Commission determines to be appropriate.

(2) RESPONSIBILITIES WITH RESPECT TO SPECIAL ENTITIES.—

(A) ADVISING SPECIAL ENTITIES.—A swap dealer or major swap participant that acts as an advisor to a special entity regarding a swap shall comply with the requirements of subparagraph (4) with respect to such Special Entity.

(B) ENTERING OF SWAPS WITH RESPECT TO SPECIAL ENTITIES.—A swap dealer that enters into or offers to enter into swap with a Special Entity shall comply with the requirements of subparagraph (5) with respect to such Special Entity.

(C) SPECIAL ENTITY DEFINED.—For purposes of this subsection, the term “special entity” means—

(i) a Federal agency;

(ii) a State, State agency, city, county, municipality, or other political subdivision of a State;

(iii) any employee benefit plan, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002);

(iv) any governmental plan, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002); or

(v) any endowment, including an endowment that is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986.

(3) BUSINESS CONDUCT REQUIREMENTS.—Business conduct requirements adopted by the Commission shall—

(A) establish a duty for a swap dealer or major swap participant to verify that any counterparty meets the eligibility standards for an eligible contract participant;

(B) require disclosure by the swap dealer or major swap participant to any counterparty to the transaction (other than a swap dealer, major swap participant, security-based swap dealer, or major security-based swap participant) of—

(i) information about the material risks and characteristics of the swap;

(ii) any material incentives or conflicts of interest that the swap dealer or major swap participant may have in connection with the swap; and

(iii)(I) for cleared swaps, upon the request of the counterparty, receipt of the daily mark of the transaction from the appropriate derivatives clearing organization; and

(II) for uncleared swaps, receipt of the daily mark of the transaction from the swap dealer or the major swap participant;

(C) establish a duty for a swap dealer or major swap participant to communicate in a fair and balanced manner based on principles of fair dealing and good faith; and

(D) establish such other standards and requirements as the Commission may determine are appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this Act.

(4) SPECIAL REQUIREMENTS FOR SWAP DEALERS ACTING AS ADVISORS.—

(A) IN GENERAL.—It shall be unlawful for a swap dealer or major swap participant—

(i) to employ any device, scheme, or artifice to defraud any Special Entity or prospective customer who is a Special Entity;

(ii) to engage in any transaction, practice, or course of business that operates as a fraud or deceit on any Special Entity or prospective customer who is a Special Entity; or

(iii) to engage in any act, practice, or course of business that is fraudulent, deceptive or manipulative.

(B) DUTY.—Any swap dealer that acts as an advisor to a Special Entity shall have a duty to act in the best interests of the Special Entity.

(C) REASONABLE EFFORTS.—Any swap dealer that acts as an advisor to a Special Entity shall make reasonable efforts to obtain such information as is necessary to make a reasonable determination that any swap recommended by

the swap dealer is in the best interests of the Special Entity, including information relating to—

- (i) the financial status of the Special Entity;
- (ii) the tax status of the Special Entity;
- (iii) the investment or financing objectives of the Special Entity; and
- (iv) any other information that the Commission may prescribe by rule or regulation.

(5) SPECIAL REQUIREMENTS FOR SWAP DEALERS AS COUNTERPARTIES TO SPECIAL ENTITIES.—

(A) Any swap dealer or major swap participant that offers to enter or enters into a swap with a Special Entity shall—

- (i) comply with any duty established by the Commission for a swap dealer or major swap participant, with respect to a counterparty that is an eligible contract participant within the meaning of subclause (I) or (II) of clause (vii) of section 1a(18) of this Act, that requires the swap dealer or major swap participant to have a reasonable basis to believe that the counterparty that is a Special Entity has an independent representative that—

- (I) has sufficient knowledge to evaluate the transaction and risks;

- (II) is not subject to a statutory disqualification;

- (III) is independent of the swap dealer or major swap participant;

- (IV) undertakes a duty to act in the best interests of the counterparty it represents;

- (V) makes appropriate disclosures;

- (VI) will provide written representations to the Special Entity regarding fair pricing and the appropriateness of the transaction; and

- (VII) in the case of employee benefit plans subject to the Employee Retirement Income Security Act of 1974, is a fiduciary as defined in section 3 of that Act (29 U.S.C. 1002); and

- (ii) before the initiation of the transaction, disclose to the Special Entity in writing the capacity in which the swap dealer is acting; and

(B) the Commission may establish such other standards and requirements as the Commission may determine are appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this Act.

(6) RULES.—The Commission shall prescribe rules under this subsection governing business conduct standards for swap dealers and major swap participants.

(7) APPLICABILITY.—This section shall not apply with respect to a transaction that is—

- (A) initiated by a Special Entity on an exchange or swap execution facility; and

- (B) one in which the swap dealer or major swap participant does not know the identity of the counterparty to the transaction.
- (i) DOCUMENTATION STANDARDS.—
- (1) IN GENERAL.—Each registered swap dealer and major swap participant shall conform with such standards as may be prescribed by the Commission by rule or regulation that relate to timely and accurate confirmation, processing, netting, documentation, and valuation of all swaps.
- (2) RULES.—The Commission shall adopt rules governing documentation standards for swap dealers and major swap participants.
- (j) DUTIES.—Each registered swap dealer and major swap participant at all times shall comply with the following requirements:
- (1) MONITORING OF TRADING.—The swap dealer or major swap participant shall monitor its trading in swaps to prevent violations of applicable position limits.
- (2) RISK MANAGEMENT PROCEDURES.—The swap dealer or major swap participant shall establish robust and professional risk management systems adequate for managing the day-to-day business of the swap dealer or major swap participant.
- (3) DISCLOSURE OF GENERAL INFORMATION.—The swap dealer or major swap participant shall disclose to the Commission and to the prudential regulator for the swap dealer or major swap participant, as applicable, information concerning—
- (A) terms and conditions of its swaps;
 - (B) swap trading operations, mechanisms, and practices;
 - (C) financial integrity protections relating to swaps;
- and
- (D) other information relevant to its trading in swaps.
- (4) ABILITY TO OBTAIN INFORMATION.—The swap dealer or major swap participant shall—
- (A) establish and enforce internal systems and procedures to obtain any necessary information to perform any of the functions described in this section; and
 - (B) provide the information to the Commission and to the prudential regulator for the swap dealer or major swap participant, as applicable, on request.
- (5) CONFLICTS OF INTEREST.—The swap dealer and major swap participant shall implement conflict-of-interest systems and procedures that—
- (A) establish structural and institutional safeguards to ensure that the activities of any person within the firm relating to research or analysis of the price or market for any commodity or swap or acting in a role of providing clearing activities or making determinations as to accepting clearing customers are separated by appropriate informational partitions within the firm from the review, pressure, or oversight of persons whose involvement in pricing, trading, or clearing activities might potentially bias their judgment or supervision and contravene the core principles of open access and the business conduct standards described in this Act; and

(B) address such other issues as the Commission determines to be appropriate.

(6) ANTITRUST CONSIDERATIONS.—Unless necessary or appropriate to achieve the purposes of this Act, a swap dealer or major swap participant shall not—

(A) adopt any process or take any action that results in any unreasonable restraint of trade; or

(B) impose any material anticompetitive burden on trading or clearing.

(7) RULES.—The Commission shall prescribe rules under this subsection governing duties of swap dealers and major swap participants.

(k) DESIGNATION OF CHIEF COMPLIANCE OFFICER.—

(1) IN GENERAL.—Each swap dealer and major swap participant shall designate an individual to serve as a chief compliance officer.

(2) DUTIES.—The chief compliance officer shall—

(A) report directly to the board or to the senior officer of the swap dealer or major swap participant;

(B) review the compliance of the swap dealer or major swap participant with respect to the swap dealer and major swap participant requirements described in this section;

(C) in consultation with the board of directors, a body performing a function similar to the board, or the senior officer of the organization, resolve any conflicts of interest that may arise;

(D) be responsible for administering each policy and procedure that is required to be established pursuant to this section;

(E) ensure compliance with this Act (including regulations) relating to swaps, including each rule prescribed by the Commission under this section;

(F) establish procedures for the remediation of non-compliance issues identified by the chief compliance officer through any—

(i) compliance office review;

(ii) look-back;

(iii) internal or external audit finding;

(iv) self-reported error; or

(v) validated complaint; and

(G) establish and follow appropriate procedures for the handling, management response, remediation, retesting, and closing of noncompliance issues.

(3) ANNUAL REPORTS.—

(A) IN GENERAL.—In accordance with rules prescribed by the Commission, the chief compliance officer shall annually prepare and sign a report that contains a description of—

(i) the compliance of the swap dealer or major swap participant with respect to this Act (including regulations); and

(ii) each policy and procedure of the swap dealer or major swap participant of the chief compliance offi-

cer (including the code of ethics and conflict of interest policies).

(B) REQUIREMENTS.—A compliance report under subparagraph (A) shall—

(i) accompany each appropriate financial report of the swap dealer or major swap participant that is required to be furnished to the Commission pursuant to this section; and

(ii) include a certification that, under penalty of law, the compliance report is accurate and complete.

(I) SEGREGATION REQUIREMENTS.—

(1) SEGREGATION OF ASSETS HELD AS COLLATERAL IN UNCLEARED SWAP TRANSACTIONS.—

(A) NOTIFICATION.—A swap dealer or major swap participant shall be required to notify the counterparty of the swap dealer or major swap participant at the beginning of a swap transaction that the counterparty has the right to require segregation of the funds or other property supplied to margin, guarantee, or secure the obligations of the counterparty.

(B) SEGREGATION AND MAINTENANCE OF FUNDS.—At the request of a counterparty to a swap that provides funds or other property to a swap dealer or major swap participant to margin, guarantee, or secure the obligations of the counterparty, the swap dealer or major swap participant shall—

(i) segregate the funds or other property for the benefit of the counterparty; and

(ii) in accordance with such rules and regulations as the Commission may promulgate, maintain the funds or other property in a segregated account separate from the assets and other interests of the swap dealer or major swap participant.

(2) APPLICABILITY.—The requirements described in paragraph (1) shall—

(A) apply only to a swap between a counterparty and a swap dealer or major swap participant that is not submitted for clearing to a derivatives clearing organization; and

(B)(i) not apply to variation margin payments; or

(ii) not preclude any commercial arrangement regarding—

(I) the investment of segregated funds or other property that may only be invested in such investments as the Commission may permit by rule or regulation; and

(II) the related allocation of gains and losses resulting from any investment of the segregated funds or other property.

(3) USE OF INDEPENDENT THIRD-PARTY CUSTODIANS.—The segregated account described in paragraph (1) shall be—

(A) carried by an independent third-party custodian; and

(B) designated as a segregated account for and on behalf of the counterparty.

(4) REPORTING REQUIREMENT.—If the counterparty does not choose to require segregation of the funds or other property supplied to margin, guarantee, or secure the obligations of the counterparty, the swap dealer or major swap participant shall report to the counterparty of the swap dealer or major swap participant on a quarterly basis that the back office procedures of the swap dealer or major swap participant relating to margin and collateral requirements are in compliance with the agreement of the counterparties.

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FOOD AND NUTRITION ACT OF 2008

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APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 9. (a)(1) Regulations issued pursuant to this Act shall provide for the submission of applications for approval by retail food stores and wholesale food concerns which desire to be authorized to accept and redeem benefits under the supplemental nutrition assistance program and for the approval of those applicants whose participation will effectuate the purposes of the supplemental nutrition assistance program. In determining the qualifications of applicants, there shall be considered among such other factors as may be appropriate, the following: (A) the nature and extent of the food business conducted by the applicant; (B) the volume of benefit transactions which may reasonably be expected to be conducted by the applicant food store or wholesale food concern; (C) whether the applicant is located in an area with significantly limited access to food; and (D) the business integrity and reputation of the applicant. Approval of an applicant shall be evidenced by the issuance to such applicant of a nontransferable certificate of approval. No retail food store or wholesale food concern of a type determined by the Secretary, based on factors that include size, location, and type of items sold, shall be approved to be authorized or reauthorized for participation in the supplemental nutrition assistance program unless an authorized employee of the Department of Agriculture, a designee of the Secretary, or, if practicable, an official of the State or local government designated by the Secretary has visited the store or concern for the purpose of determining whether the store or concern should be approved or reauthorized, as appropriate.

(2) The Secretary shall issue regulations providing for—

(A) the periodic reauthorization of retail food stores and wholesale food concerns; and

(B) periodic notice to participating retail food stores and wholesale food concerns of the definitions of “retail food store”, “staple foods”, “eligible foods”, and “perishable foods”.

(3) AUTHORIZATION PERIODS.—The Secretary shall establish specific time periods during which authorization to accept and redeem benefits shall be valid under the supplemental nutrition assistance program.

(b)(1) No wholesale food concern may be authorized to accept and redeem benefits unless the Secretary determines that its participation is required for the effective and efficient operation of the

supplemental nutrition assistance program. No co-located wholesale-retail food concern may be authorized to accept and redeem benefits as a retail food store, unless (A) the concern does a substantial level of retail food business, or (B) the Secretary determines that failure to authorize such a food concern as a retail food store would cause hardship to households that receive supplemental nutrition assistance program benefits. In addition, no firm may be authorized to accept and redeem benefits as both a retail food store and as a wholesale food concern at the same time.

(2)(A) A buyer or transferee (other than a bona fide buyer or transferee) of a retail food store or wholesale food concern that has been disqualified under section 12(a) may not accept or redeem benefits until the Secretary receives full payment of any penalty imposed on such store or concern.

(B) A buyer or transferee may not, as a result of the sale or transfer of such store or concern, be required to furnish a bond under section 12(d).

(c) Regulations issued pursuant to this Act shall require an applicant retail food store or wholesale food concern to submit information, which may include relevant income and sales tax filing documents, purchase invoices, or program-related records, which will permit a determination to be made as to whether such applicant qualifies, or continues to qualify, for approval under the provisions of this Act or the regulations issued pursuant to this Act. The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified. Regulations issued pursuant to this Act shall provide for safeguards which limit the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of the provisions of this Act or the regulations issued pursuant to this Act, except that such information may be disclosed to any used by Federal law enforcement and investigative agencies and law enforcement and investigative agencies of a State government for the purposes of administering or enforcing this Act or any other Federal or State law and the regulations issued under this Act or such law, and State agencies that administer the special supplemental nutrition program for women, infants and children, authorized under section 17 of the Child Nutrition Act of 1966, for purposes of administering the provisions of that Act and the regulations issued under that Act. Any person who publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by Federal law (including a regulation) any information obtained under this subsection shall be fined not more than \$1,000 or imprisoned not more than 1 year, or both. The regulations shall establish the criteria to be used by the Secretary to determine whether the information is needed. The regulations shall not prohibit the audit and examination of such information by the Comptroller General of the United States authorized by any other provision of law.

(d) Any retail food store or wholesale food concern which has failed upon application to receive approval to participate in the supplemental nutrition assistance program may obtain a hearing

on such refusal as provided in section 14 of this Act. A retail food store or wholesale food concern that is denied approval to accept and redeem benefits because the store or concern does not meet criteria for approval established by the Secretary may not, for at least 6 months, submit a new application to participate in the program. The Secretary may establish a longer time period under the preceding sentence, including permanent disqualification, that reflects the severity of the basis of the denial.

(e) Approved retail food stores shall display a sign providing information on how persons may report abuses they have observed in the operation of the supplemental nutrition assistance program.

(f) In those areas in which the Secretary, in consultation with the Inspector General of the Department of Agriculture, finds evidence that the operation of house-to-house trade routes damages the program's integrity, the Secretary shall limit the participation of house-to-house trade routes to those routes that are reasonably necessary to provide adequate access to households.

(g) EBT SERVICE REQUIREMENT.—An approved retail food store shall provide adequate EBT service as described in section 7(h)(3)(B).

(h) PRIVATE ESTABLISHMENTS.—

(1) IN GENERAL.—Subject to paragraph (2), no private establishment that contracts with a State agency to offer meals at concessional prices as described in paragraphs (3), (4), and (9) of section 3(k) may be authorized to accept and redeem benefits unless the Secretary determines that the participation of the private establishment is required to meet a documented need in accordance with section 11(e)(25).

(2) EXISTING CONTRACTS.—

(A) IN GENERAL.—If, on the day before the date of enactment of this subsection, a State has entered into a contract with a private establishment described in paragraph (1) and the Secretary has not determined that the participation of the private establishment is necessary to meet a documented need in accordance with section 11(e)(25), the Secretary shall allow the operation of the private establishment to continue without that determination of need for a period not to exceed 180 days from the date on which the Secretary establishes determination criteria, by regulation, under section 11(e)(25).

(B) JUSTIFICATION.—If the Secretary determines to terminate a contract with a private establishment that is in effect on the date of enactment of this subsection, the Secretary shall provide justification to the State in which the private establishment is located for that termination.

(3) REPORT TO CONGRESS.—Not later than 90 days after September 30, 2014, and 90 days after the last day of each fiscal year thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the effectiveness of a program under this subsection using any information received from States under section 11(e)(25) as well as any other information the Secretary may have relating to the manner in which benefits are used.

(i) *NONDISCLOSURE.*—Any supplemental nutrition assistance program transaction data that contains information specific to a retail food store, a retail food store location, a person, or other entity shall be exempt from the disclosure requirements of section 552(a) of title 5 of the United States Code pursuant to section 552(b)(3) of title 5 of the United States Code.

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**NATIONAL AGRICULTURAL RESEARCH, EXTENSION,
AND TEACHING POLICY ACT OF 1977**

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**TITLE XIV—NATIONAL AGRICULTURAL RESEARCH,
EXTENSION, AND TEACHING POLICY ACT OF 1977**

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Subtitle G—1890 Land-Grant College Funding

**SEC. 1444. EXTENSION AT 1890 LAND-GRANT COLLEGES, INCLUDING
TUSKEGEE UNIVERSITY.**

(a) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There are hereby authorized to be appropriated annually such sums as Congress may determine necessary to support continuing agricultural and forestry extension at colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417–419, as amended; 7 U.S.C. 321–326 and 328), including Tuskegee University (hereinafter in this section referred to as “eligible institutions”).

(2) **MINIMUM AMOUNT.**—Beginning with fiscal year 2003, there shall be appropriated under this section for each fiscal year an amount that is not less than 20 percent of the total appropriations for such year under the Act of May 8, 1914 (7 U.S.C. 341 et seq.), and related acts pertaining to cooperative extension work at the land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), except that for the purpose of this calculation, the total appropriations shall not include amounts made available under section 3(d) of that Act (7 U.S.C. 343(d)).

(3) **USES.**—Funds appropriated under this section shall be used for expenses of conducting extension programs and activities, and for contributing to the retirement of employees subject to the provisions of the Act of March 4, 1940 (54 Stat. 30–40, as amended; 7 U.S.C. 331).

(4) **CARRYOVER.**—[No more than] *For fiscal years ending on or before September 30, 2018, no more than 20 per centum of the funds received [by an institution] by an eligible institution under this section in any fiscal year may be carried forward to the succeeding fiscal year. For fiscal years beginning on or after October 1, 2018, the limitation specified in the preceding sentence shall not apply and 100 percent of such funds may be carried forward to the succeeding fiscal year.*

(b) Beginning with the fiscal year ending September 30, 1979—

(1) any funds annually appropriated under this section up to the amount appropriated for the fiscal year ending September 30, 1978, pursuant to section 3(d) of the Act of May 8, 1914, as amended, for eligible institutions, shall be allocated among the eligible institutions in the same proportion as funds appropriated under section 3(d) of the Act of May 8, 1914, as amended, for the fiscal year ending September 30, 1978, are allocated among the eligible institutions; and

(2) any funds appropriated annually under this section in excess of an amount equal to the amount appropriated under section 3(d) of the Act of May 8, 1914, for the fiscal year ending September 30, 1978, for eligible institutions, shall be distributed as follows:

(A) A sum equal to 4 per centum of the total amount appropriated each fiscal year under this section shall be allotted to the National Institute of Food and Agriculture of the Department of Agriculture for administrative, technical, and other services, and for coordinating the extension work of the Department of Agriculture and the several States.

(B) Of the remainder, 20 per centum shall be allotted among the eligible institutions in equal proportions; 40 per centum shall be allotted among the eligible institutions in the proportion that the rural population of the State in which each eligible institution is located bears to the total rural population of all the States in which eligible institutions are located, as determined by the last preceding decennial census current at the time each such additional sum is first appropriated; and the balance shall be allotted among the eligible institutions in the proportion that the farm population of the State in which each eligible institution is located bears to the total farm population of all the States in which the eligible institutions are located, as determined by the last preceding decennial census current at the time each such additional sum is first appropriated.

In computing the distribution of funds allocated under paragraph (2) of this subsection, the allotments to Tuskegee University and Alabama Agricultural and Mechanical University shall be determined as if each institution were in a separate State.

(c) The State director of the cooperative extension service and the extension administrator at the eligible institution in each State where an eligible institution is located shall jointly develop, by mutual agreement, a comprehensive program of extension for such State to be submitted for approval by the Secretary within one year after the date of enactment of this title and each five years thereafter.

(d) ASCERTAINMENT OF ENTITLEMENT TO FUNDS; TIME AND MANNER OF PAYMENT; STATE REPORTING REQUIREMENTS; PLANS OF WORK.—

(1) ASCERTAINMENT OF ENTITLEMENT.—On or about the first day of October in each year after enactment of this title, the Secretary shall ascertain whether each eligible institution is entitled to receive its share of the annual appropriation for extension work under this section and the amount which it is entitled to receive. Before the funds herein provided shall be-

come available to any eligible institution for any fiscal year, plans for the work to be carried out under this section shall be submitted, as part of the State plan of work, and approved by the Secretary.

(2) TIME AND MANNER OF PAYMENT; RELATED REPORTS.—The amount to which an eligible institution is entitled shall be paid in equal quarterly payments on or about October 1, January 1, April 1, and July 1 of each year to the treasurer or other officer of the eligible institution duly authorized to receive such payments and such officer shall be required to report to the Secretary on or about the first day of December of each year a detailed statement of the amount so received during the previous fiscal year and its disbursement, on forms prescribed by the Secretary.

(3) REQUIREMENTS RELATED TO PLAN OF WORK.—Each plan of work for an eligible institution required under this section shall contain descriptions of the following:

(A) The critical short-term, intermediate, and long-term agricultural issues in the State in which the eligible institution is located and the current and planned extension programs and projects targeted to address the issues.

(B) The process established to consult with extension users regarding the identification of critical agricultural issues in the State and the development of extension programs and projects targeted to address the issues.

(C) The efforts made to identify and collaborate with other colleges and universities within the State, and within other States, that have a unique capacity to address the identified agricultural issues in the State and the extent of current and emerging efforts (including regional extension efforts) to work with those other institutions.

(D) The manner in which research and extension, including research and extension activities funded other than through formula funds, will cooperate to address the critical issues in the State, including the activities to be carried out separately, the activities to be carried out sequentially, and the activities to be carried out jointly.

(E) The education and outreach programs already underway to convey currently available research results that are pertinent to a critical agricultural issue, including efforts to encourage multicounty cooperation in the dissemination of research results.

(4) EXTENSION PROTOCOLS.—

(A) IN GENERAL.—The Secretary shall develop protocols to be used to evaluate the success of multistate, multi-institutional, and multidisciplinary extension activities and joint research and extension activities in addressing critical agricultural issues identified in the plans of work submitted under this section.

(B) CONSULTATION.—The Secretary shall develop the protocols in consultation with the Advisory Board and land-grant colleges and universities.

(5) TREATMENT OF PLANS OF WORK FOR OTHER PURPOSES.—To the maximum extent practicable, the Secretary shall con-

sider a plan of work submitted under this section to satisfy other appropriate Federal reporting requirements.

(e) If any portion of the moneys received by any eligible institution for the support and maintenance of extension work as provided in this section shall by any action or contingency be diminished or lost or be misapplied, it shall be replaced by such institution and until so replaced no subsequent appropriation shall be apportioned or paid to such institution. No portion of such moneys shall be applied, directly or indirectly, to the purchase, erection, preservation, or repair of any building or buildings, or the purchase or rental of land, or in college course teaching, lectures in college, or any other purpose not specified in this section. It shall be the duty of such institution, annually, on or about the first day of January, to make to the Governor of the State in which it is located a full and detailed report of its operations in extension work, including a detailed statement of receipts and expenditures from all sources for this purpose, a copy of which report shall be sent to the Secretary.

(f) To the extent that the official mail consists of correspondence, bulletins, and reports for furtherance of the purposes of this section, it shall be transmitted in the mails of the United States. Such items may be mailed from a principal place of business of each eligible institution or from an established subunit of such institution.

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FEDERAL FOOD, DRUG, AND COSMETIC ACT

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CHAPTER IX—TOBACCO PRODUCTS

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SEC. 905. ANNUAL REGISTRATION.

(a) DEFINITIONS.—In this section:

(1) MANUFACTURE, PREPARATION, COMPOUNDING, OR PROCESSING.—The term “manufacture, preparation, compounding, or processing” shall include repackaging or otherwise changing the container, wrapper, or labeling of any tobacco product package in furtherance of the distribution of the tobacco product from the original place of manufacture to the person who makes final delivery or sale to the ultimate consumer or user.

(2) NAME.—The term “name” shall include in the case of a partnership the name of each partner and, in the case of a corporation, the name of each corporate officer and director, and the State of incorporation.

(b) REGISTRATION BY OWNERS AND OPERATORS.—On or before December 31 of each year, every person who owns or operates any establishment in any State engaged in the manufacture, preparation, compounding, or processing of a tobacco product or tobacco products shall register with the Secretary the name, places of business, and all such establishments of that person. If enactment of the Family Smoking Prevention and Tobacco Control Act occurs in the second half of the calendar year, the Secretary shall designate

a date no later than 6 months into the subsequent calendar year by which registration pursuant to this subsection shall occur.

(c) REGISTRATION BY NEW OWNERS AND OPERATORS.—Every person upon first engaging in the manufacture, preparation, compounding, or processing of a tobacco product or tobacco products in any establishment owned or operated in any State by that person shall immediately register with the Secretary that person's name, place of business, and such establishment.

(d) REGISTRATION OF ADDED ESTABLISHMENTS.—Every person required to register under subsection (b) or (c) shall immediately register with the Secretary any additional establishment which that person owns or operates in any State and in which that person begins the manufacture, preparation, compounding, or processing of a tobacco product or tobacco products.

(e) UNIFORM PRODUCT IDENTIFICATION SYSTEM.—The Secretary may by regulation prescribe a uniform system for the identification of tobacco products and may require that persons who are required to list such tobacco products under subsection (i) shall list such tobacco products in accordance with such system.

(f) PUBLIC ACCESS TO REGISTRATION INFORMATION.—The Secretary shall make available for inspection, to any person so requesting, any registration filed under this section.

(g) BIENNIAL INSPECTION OF REGISTERED ESTABLISHMENTS.—Every establishment registered with the Secretary under this section shall be subject to inspection under section 704 or subsection (h), and every such establishment engaged in the manufacture, compounding, or processing of a tobacco product or tobacco products shall be so inspected by 1 or more officers or employees duly designated by the Secretary at least once in the 2-year period beginning with the date of registration of such establishment under this section and at least once in every successive 2-year period thereafter.

(h) REGISTRATION BY FOREIGN ESTABLISHMENTS.—Any establishment within any foreign country engaged in the manufacture, preparation, compounding, or processing of a tobacco product or tobacco products, shall register under this section under regulations promulgated by the Secretary. Such regulations shall require such establishment to provide the information required by subsection (i) and shall include provisions for registration of any such establishment upon condition that adequate and effective means are available, by arrangement with the government of such foreign country or otherwise, to enable the Secretary to determine from time to time whether tobacco products manufactured, prepared, compounded, or processed in such establishment, if imported or offered for import into the United States, shall be refused admission on any of the grounds set forth in section 801(a).

(i) REGISTRATION INFORMATION.—

(1) PRODUCT LIST.—Every person who registers with the Secretary under subsection (b), (c), (d), or (h) shall, at the time of registration under any such subsection, file with the Secretary a list of all tobacco products which are being manufactured, prepared, compounded, or processed by that person for commercial distribution and which have not been included in any list of tobacco products filed by that person with the Secretary under this paragraph or paragraph (2) before such time

of registration. Such list shall be prepared in such form and manner as the Secretary may prescribe and shall be accompanied by—

(A) in the case of a tobacco product contained in the applicable list with respect to which a tobacco product standard has been established under section 907 or which is subject to section 910, a reference to the authority for the marketing of such tobacco product and a copy of all labeling for such tobacco product;

(B) in the case of any other tobacco product contained in an applicable list, a copy of all consumer information and other labeling for such tobacco product, a representative sampling of advertisements for such tobacco product, and, upon request made by the Secretary for good cause, a copy of all advertisements for a particular tobacco product; and

(C) if the registrant filing a list has determined that a tobacco product contained in such list is not subject to a tobacco product standard established under section 907, a brief statement of the basis upon which the registrant made such determination if the Secretary requests such a statement with respect to that particular tobacco product.

(2) CONSULTATION WITH RESPECT TO FORMS.—The Secretary shall consult with the Secretary of the Treasury in developing the forms to be used for registration under this section to minimize the burden on those persons required to register with both the Secretary and the Tax and Trade Bureau of the Department of the Treasury.

(3) BIENNIAL REPORT OF ANY CHANGE IN PRODUCT LIST.—Each person who registers with the Secretary under this section shall report to the Secretary once during the month of June of each year and once during the month of December of each year the following:

(A) A list of each tobacco product introduced by the registrant for commercial distribution which has not been included in any list previously filed by that person with the Secretary under this subparagraph or paragraph (1). A list under this subparagraph shall list a tobacco product by its established name and shall be accompanied by the other information required by paragraph (1).

(B) If since the date the registrant last made a report under this paragraph that person has discontinued the manufacture, preparation, compounding, or processing for commercial distribution of a tobacco product included in a list filed under subparagraph (A) or paragraph (1), notice of such discontinuance, the date of such discontinuance, and the identity of its established name.

(C) If since the date the registrant reported under subparagraph (B) a notice of discontinuance that person has resumed the manufacture, preparation, compounding, or processing for commercial distribution of the tobacco product with respect to which such notice of discontinuance was reported, notice of such resumption, the date of such resumption, the identity of such tobacco product by established name, and other information required by paragraph

(1), unless the registrant has previously reported such resumption to the Secretary under this subparagraph.

(D) Any material change in any information previously submitted under this paragraph or paragraph (1).

(j) REPORT PRECEDING INTRODUCTION OF CERTAIN SUBSTANTIALLY EQUIVALENT PRODUCTS INTO INTERSTATE COMMERCE.—

(1) IN GENERAL.—Each person who is required to register under this section and who proposes to begin the introduction or delivery for introduction into interstate commerce for commercial distribution of a tobacco product intended for human use that was not commercially marketed (other than for test marketing) in the United States as of February 15, 2007, shall, at least 90 days prior to making such introduction or delivery, report to the Secretary (in such form and manner as the Secretary shall prescribe)—

(A) the basis for such person's determination that—

(i) the tobacco product is substantially equivalent, within the meaning of section 910, to a tobacco product commercially marketed (other than for test marketing) in the United States as of February 15, 2007, or to a tobacco product subject to an order that the Secretary has issued to such person under subsection (c)(1)(A)(i) of section 910, or to a tobacco product that the Secretary has previously determined, pursuant to subsection (a)(3) of section 910, is substantially equivalent and that is in compliance with the requirements of this Act; or

(ii) the tobacco product is modified within the meaning of paragraph (3), the modifications are to a product that is commercially marketed and in compliance with the requirements of this Act, and all of the modifications are covered by exemptions granted by the Secretary pursuant to paragraph (3); and

(B) action taken by such person to comply with the requirements under section 907 that are applicable to the tobacco product.

(2) APPLICATION TO CERTAIN POST-FEBRUARY 15, 2007, PRODUCTS.—A report under this subsection for a tobacco product that was first introduced or delivered for introduction into interstate commerce for commercial distribution in the United States after February 15, 2007, and prior to the date that is 21 months after the date of enactment of the Family Smoking Prevention and Tobacco Control Act shall be submitted to the Secretary not later than 21 months after such date of enactment.

(3) EXEMPTIONS.—

(A) IN GENERAL.—The Secretary may exempt from the requirements of this subsection relating to the demonstration that a tobacco product is substantially equivalent within the meaning of section 910, tobacco products that are modified by adding or deleting a tobacco additive, or increasing or decreasing the quantity of an existing tobacco additive, if the Secretary determines that—

(i) such modification would be a minor modification of a tobacco product that can be sold under this Act;

(ii) a report under this subsection is not necessary to ensure that permitting the tobacco product to be marketed would be appropriate for protection of the public health; and

(iii) an exemption is otherwise appropriate.

(B) REGULATIONS.—Not later than 15 months after the date of enactment of the Family Smoking Prevention and Tobacco Control Act, the Secretary shall issue regulations to implement this paragraph.

SEC. 906. GENERAL PROVISIONS RESPECTING CONTROL OF TOBACCO PRODUCTS.

(a) IN GENERAL.—Any requirement established by or under section 902, 903, 905, or 909 applicable to a tobacco product shall apply to such tobacco product until the applicability of the requirement to the tobacco product has been changed by action taken under section 907, section 910, section 911, or subsection (d) of this section, and any requirement established by or under section 902, 903, 905, or 909 which is inconsistent with a requirement imposed on such tobacco product under section 907, section 910, section 911, or subsection (d) of this section shall not apply to such tobacco product.

(b) INFORMATION ON PUBLIC ACCESS AND COMMENT.—Each notice of proposed rulemaking or other notification under section 907, 908, 909, 910, or 911 or under this section, any other notice which is published in the Federal Register with respect to any other action taken under any such section and which states the reasons for such action, and each publication of findings required to be made in connection with rulemaking under any such section shall set forth—

(1) the manner in which interested persons may examine data and other information on which the notice or findings is based; and

(2) the period within which interested persons may present their comments on the notice or findings (including the need therefore) orally or in writing, which period shall be at least 60 days but may not exceed 90 days unless the time is extended by the Secretary by a notice published in the Federal Register stating good cause therefore.

(c) LIMITED CONFIDENTIALITY OF INFORMATION.—Any information reported to or otherwise obtained by the Secretary or the Secretary's representative under section 903, 904, 907, 908, 909, 910, 911, or 704, or under subsection (e) or (f) of this section, which is exempt from disclosure under subsection (a) of section 552 of title 5, United States Code, by reason of subsection (b)(4) of that section shall be considered confidential and shall not be disclosed, except that the information may be disclosed to other officers or employees concerned with carrying out this chapter, or when relevant in any proceeding under this chapter.

(d) RESTRICTIONS.—

(1) IN GENERAL.—The Secretary may by regulation require restrictions on the sale and distribution of a tobacco product, including restrictions on the access to, and the advertising and

promotion of, the tobacco product, if the Secretary determines that such regulation would be appropriate for the protection of the public health. The Secretary may by regulation impose restrictions on the advertising and promotion of a tobacco product consistent with and to full extent permitted by the first amendment to the Constitution. The finding as to whether such regulation would be appropriate for the protection of the public health shall be determined with respect to the risks and benefits to the population as a whole, including users and nonusers of the tobacco product, and taking into account—

(A) the increased or decreased likelihood that existing users of tobacco products will stop using such products; and

(B) the increased or decreased likelihood that those who do not use tobacco products will start using such products.

No such regulation may require that the sale or distribution of a tobacco product be limited to the written or oral authorization of a practitioner licensed by law to prescribe medical products.

(2) LABEL STATEMENTS.—The label of a tobacco product shall bear such appropriate statements of the restrictions required by a regulation under subsection (a) as the Secretary may in such regulation prescribe.

(3) LIMITATIONS.—

(A) IN GENERAL.—No restrictions under paragraph (1) may—

(i) prohibit the sale of any tobacco product in face-to-face transactions by a specific category of retail outlets; or

(ii) establish a minimum age of sale of tobacco products to any person older than 18 years of age.

(B) MATCHBOOKS.—For purposes of any regulations issued by the Secretary, matchbooks of conventional size containing not more than 20 paper matches, and which are customarily given away for free with the purchase of tobacco products, shall be considered as adult-written publications which shall be permitted to contain advertising. Notwithstanding the preceding sentence, if the Secretary finds that such treatment of matchbooks is not appropriate for the protection of the public health, the Secretary may determine by regulation that matchbooks shall not be considered adult-written publications.

[(4) REMOTE SALES.—

[(A) IN GENERAL.—The Secretary shall—

[(i) within 18 months after the date of enactment of the Family Smoking Prevention and Tobacco Control Act, promulgate regulations regarding the sale and distribution of tobacco products that occur through means other than a direct, face-to-face exchange between a retailer and a consumer in order to prevent the sale and distribution of tobacco products to individuals who have not attained the minimum age established by applicable law for the purchase of

such products, including requirements for age verification; and

[(ii) within 2 years after such date of enactment, issue regulations to address the promotion and marketing of tobacco products that are sold or distributed through means other than a direct, face-to-face exchange between a retailer and a consumer in order to protect individuals who have not attained the minimum age established by applicable law for the purchase of such products.

[(B) RELATION TO OTHER AUTHORITY.—Nothing in this paragraph limits the authority of the Secretary to take additional actions under the other paragraphs of this subsection.]

(4) AGE VERIFICATION FOR REMOTE SALES.—*A delivery seller of vapor products—*

(A) *shall not sell, deliver, or cause to be delivered any vapor products to a person under the minimum age required for the legal sale or purchase of vapor products, as determined by the applicable law at the place of delivery; and*

(B) *shall not accept a delivery sale order from a person without—*

(i) *obtaining the full name, birth date, and residential address of that person; and*

(ii) *verifying the information provided in clause (i), through the use of a commercially available database or aggregate of databases, consisting primarily of data from government sources, that are regularly used by government and businesses for the purpose of age and identity verification and authentication, to ensure that the purchaser is at least the minimum age required for the legal sale or purchase of vapor products, as determined by the applicable law at the place of delivery.*

(C) LIMITATION.—*No database being used for age and identity verification under subparagraph (B)(ii) shall be in the possession or under the control of the delivery seller, or be subject to any changes or supplementation by the delivery seller.*

(D) DEFINITIONS.—*In this paragraph:*

(i) *The term “delivery sale” means a sale of vapor products in which—*

(I) *the consumer submits the order for the sale by means of a telephone or other method of voice transmission, the mails, or the Internet or other online service, or the seller is otherwise not in the physical presence of the buyer when the request for purchase or order is made; or*

(II) *the vapor products are delivered to the buyer by common carrier, private delivery service, or other method of remote delivery, or the seller is not in the physical presence of the buyer when the buyer obtains possession of the vapor products.*

(ii) The term “delivery seller” means a person who makes a delivery sale, or provides an online marketplace to facilitate a delivery sale.

(iii) The term “online marketplace” means an online portal or other digital or similar platform that facilitates the sale of products to consumers, through retail sale, auction, or similar transactions.

(e) GOOD MANUFACTURING PRACTICE REQUIREMENTS.—

(1) METHODS, FACILITIES, AND CONTROLS TO CONFORM.—

(A) IN GENERAL.—In applying manufacturing restrictions to tobacco, the Secretary shall, in accordance with subparagraph (B), prescribe regulations (which may differ based on the type of tobacco product involved) requiring that the methods used in, and the facilities and controls used for, the manufacture, preproduction design validation (including a process to assess the performance of a tobacco product), packing, and storage of a tobacco product conform to current good manufacturing practice, or hazard analysis and critical control point methodology, as prescribed in such regulations to assure that the public health is protected and that the tobacco product is in compliance with this chapter. Such regulations may provide for the testing of raw tobacco for pesticide chemical residues regardless of whether a tolerance for such chemical residues has been established.

(B) REQUIREMENTS.—The Secretary shall—

(i) before promulgating any regulation under subparagraph (A), afford the Tobacco Products Scientific Advisory Committee an opportunity to submit recommendations with respect to the regulation proposed to be promulgated;

(ii) before promulgating any regulation under subparagraph (A), afford opportunity for an oral hearing;

(iii) provide the Tobacco Products Scientific Advisory Committee a reasonable time to make its recommendation with respect to proposed regulations under subparagraph (A);

(iv) in establishing the effective date of a regulation promulgated under this subsection, take into account the differences in the manner in which the different types of tobacco products have historically been produced, the financial resources of the different tobacco product manufacturers, and the state of their existing manufacturing facilities, and shall provide for a reasonable period of time for such manufacturers to conform to good manufacturing practices; and

(v) not require any small tobacco product manufacturer to comply with a regulation under subparagraph (A) for at least 4 years following the effective date established by the Secretary for such regulation.

(2) EXEMPTIONS; VARIANCES.—

(A) PETITION.—Any person subject to any requirement prescribed under paragraph (1) may petition the Secretary for a permanent or temporary exemption or variance from such requirement. Such a petition shall be submitted to

the Secretary in such form and manner as the Secretary shall prescribe and shall—

(i) in the case of a petition for an exemption from a requirement, set forth the basis for the petitioner's determination that compliance with the requirement is not required to assure that the tobacco product will be in compliance with this chapter;

(ii) in the case of a petition for a variance from a requirement, set forth the methods proposed to be used in, and the facilities and controls proposed to be used for, the manufacture, packing, and storage of the tobacco product in lieu of the methods, facilities, and controls prescribed by the requirement; and

(iii) contain such other information as the Secretary shall prescribe.

(B) REFERRAL TO THE TOBACCO PRODUCTS SCIENTIFIC ADVISORY COMMITTEE.—The Secretary may refer to the Tobacco Products Scientific Advisory Committee any petition submitted under subparagraph (A). The Tobacco Products Scientific Advisory Committee shall report its recommendations to the Secretary with respect to a petition referred to it within 60 days after the date of the petition's referral. Within 60 days after—

(i) the date the petition was submitted to the Secretary under subparagraph (A); or

(ii) the day after the petition was referred to the Tobacco Products Scientific Advisory Committee, whichever occurs later, the Secretary shall by order either deny the petition or approve it.

(C) APPROVAL.—The Secretary may approve—

(i) a petition for an exemption for a tobacco product from a requirement if the Secretary determines that compliance with such requirement is not required to assure that the tobacco product will be in compliance with this chapter; and

(ii) a petition for a variance for a tobacco product from a requirement if the Secretary determines that the methods to be used in, and the facilities and controls to be used for, the manufacture, packing, and storage of the tobacco product in lieu of the methods, facilities, and controls prescribed by the requirement are sufficient to assure that the tobacco product will be in compliance with this chapter.

(D) CONDITIONS.—An order of the Secretary approving a petition for a variance shall prescribe such conditions respecting the methods used in, and the facilities and controls used for, the manufacture, packing, and storage of the tobacco product to be granted the variance under the petition as may be necessary to assure that the tobacco product will be in compliance with this chapter.

(E) HEARING.—After the issuance of an order under subparagraph (B) respecting a petition, the petitioner shall have an opportunity for an informal hearing on such order.

(3) COMPLIANCE.—Compliance with requirements under this subsection shall not be required before the end of the 3-

year period following the date of enactment of the Family Smoking Prevention and Tobacco Control Act.

(f) RESEARCH AND DEVELOPMENT.—The Secretary may enter into contracts for research, testing, and demonstrations respecting tobacco products and may obtain tobacco products for research, testing, and demonstration purposes.

* * * * *

SEC. 910. APPLICATION FOR REVIEW OF CERTAIN TOBACCO PRODUCTS.

(a) IN GENERAL.—

(1) NEW TOBACCO PRODUCT DEFINED.—For purposes of this section the term “new tobacco product” means—

(A) any tobacco product (including those products in test markets) that was not commercially marketed in the United States as of February 15, 2007; or

(B) any modification (including a change in design, any component, any part, or any constituent, including a smoke constituent, or in the content, delivery or form of nicotine, or any other additive or ingredient) of a tobacco product where the modified product was commercially marketed in the United States after February 15, 2007.

(2) PREMARKET REVIEW REQUIRED.—

(A) NEW PRODUCTS.—An order under subsection (c)(1)(A)(i) for a new tobacco product is required unless—

(i) the manufacturer has submitted a report under section 905(j); and the Secretary has issued an order that the tobacco product—

(I) is substantially equivalent to a tobacco product commercially marketed (other than for test marketing) in the United States as of February 15, 2007, or to a tobacco product subject to an order that the Secretary has issued to such person under subsection (c)(1)(A)(i); and

(II) is in compliance with the requirements of this Act; or

(ii) the tobacco product is exempt from the requirements of section 905(j) pursuant to a regulation issued under section 905(j)(3).

(B) APPLICATION TO CERTAIN POST-FEBRUARY 15, 2007, PRODUCTS.—Subparagraph (A) shall not apply to a tobacco product—

(i) that was first introduced or delivered for introduction into interstate commerce for commercial distribution in the United States after February 15, 2007, and prior to the date that is 21 months after the date of enactment of the Family Smoking Prevention and Tobacco Control Act; and

(ii) for which a report was submitted under section 905(j) within such 21-month period, except that subparagraph (A) shall apply to the tobacco product if the Secretary issues an order that the tobacco product is not substantially equivalent.

(3) SUBSTANTIALLY EQUIVALENT DEFINED.—

(A) IN GENERAL.—In this section and section 905(j), the term “substantially equivalent” or “substantial equivalence” means, with respect to the tobacco product being compared to the predicate tobacco product, that the Secretary by order has found that the tobacco product—

(i) has the same characteristics as the predicate tobacco product; or

(ii) has different characteristics and the information submitted contains information, including clinical data if deemed necessary by the Secretary, that demonstrates that it is not appropriate to regulate the product under this section because the product does not raise different questions of public health.

(B) CHARACTERISTICS.—In subparagraph (A), the term “characteristics” means the materials, ingredients, design, composition, heating source, or other features of a tobacco product.

(C) LIMITATION.—A tobacco product may not be found to be substantially equivalent to a predicate tobacco product that has been removed from the market at the initiative of the Secretary or that has been determined by a judicial order to be misbranded or adulterated.

(4) HEALTH INFORMATION.—

(A) SUMMARY.—As part of a submission under section 905(j) respecting a tobacco product, the person required to file a premarket notification under such section shall provide an adequate summary of any health information related to the tobacco product or state that such information will be made available upon request by any person.

(B) REQUIRED INFORMATION.—Any summary under subparagraph (A) respecting a tobacco product shall contain detailed information regarding data concerning adverse health effects and shall be made available to the public by the Secretary within 30 days of the issuance of a determination that such tobacco product is substantially equivalent to another tobacco product.

(b) APPLICATION.—

(1) CONTENTS.—An application under this section shall contain—

(A) full reports of all information, published or known to, or which should reasonably be known to, the applicant, concerning investigations which have been made to show the health risks of such tobacco product and whether such tobacco product presents less risk than other tobacco products;

(B) a full statement of the components, ingredients, additives, and properties, and of the principle or principles of operation, of such tobacco product;

(C) a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and, when relevant, packing and installation of, such tobacco product;

(D) an identifying reference to any tobacco product standard under section 907 which would be applicable to any aspect of such tobacco product, and either adequate in-

formation to show that such aspect of such tobacco product fully meets such tobacco product standard or adequate information to justify any deviation from such standard;

(E) such samples of such tobacco product and of components thereof as the Secretary may reasonably require;

(F) specimens of the labeling proposed to be used for such tobacco product; and

(G) such other information relevant to the subject matter of the application as the Secretary may require.

(2) REFERRAL TO TOBACCO PRODUCTS SCIENTIFIC ADVISORY COMMITTEE.—Upon receipt of an application meeting the requirements set forth in paragraph (1), the Secretary—

(A) may, on the Secretary's own initiative; or

(B) may, upon the request of an applicant,

refer such application to the Tobacco Products Scientific Advisory Committee for reference and for submission (within such period as the Secretary may establish) of a report and recommendation respecting the application, together with all underlying data and the reasons or basis for the recommendation.

(c) ACTION ON APPLICATION.—

(1) DEADLINE.—

(A) IN GENERAL.—As promptly as possible, but in no event later than 180 days after the receipt of an application under subsection (b), the Secretary, after considering the report and recommendation submitted under subsection (b)(2), shall—

(i) issue an order that the new product may be introduced or delivered for introduction into interstate commerce if the Secretary finds that none of the grounds specified in paragraph (2) of this subsection applies; or

(ii) issue an order that the new product may not be introduced or delivered for introduction into interstate commerce if the Secretary finds (and sets forth the basis for such finding as part of or accompanying such denial) that 1 or more grounds for denial specified in paragraph (2) of this subsection apply.

(B) RESTRICTIONS ON SALE AND DISTRIBUTION.—An order under subparagraph (A)(i) may require that the sale and distribution of the tobacco product be restricted but only to the extent that the sale and distribution of a tobacco product may be restricted under a regulation under section 906(d).

(2) DENIAL OF APPLICATION.—The Secretary shall deny an application submitted under subsection (b) if, upon the basis of the information submitted to the Secretary as part of the application and any other information before the Secretary with respect to such tobacco product, the Secretary finds that—

(A) there is a lack of a showing that permitting such tobacco product to be marketed would be appropriate for the protection of the public health;

(B) the methods used in, or the facilities or controls used for, the manufacture, processing, or packing of such tobacco product do not conform to the requirements of section 906(e);

(C) based on a fair evaluation of all material facts, the proposed labeling is false or misleading in any particular; or

(D) such tobacco product is not shown to conform in all respects to a tobacco product standard in effect under section 907, and there is a lack of adequate information to justify the deviation from such standard.

(3) DENIAL INFORMATION.—Any denial of an application shall, insofar as the Secretary determines to be practicable, be accompanied by a statement informing the applicant of the measures required to remove such application from deniable form (which measures may include further research by the applicant in accordance with 1 or more protocols prescribed by the Secretary).

(4) BASIS FOR FINDING.—For purposes of this section, the finding as to whether the marketing of a tobacco product for which an application has been submitted is appropriate for the protection of the public health shall be determined with respect to the risks and benefits to the population as a whole, including users and nonusers of the tobacco product, and taking into account—

(A) the increased or decreased likelihood that existing users of tobacco products will stop using such products; and

(B) the increased or decreased likelihood that those who do not use tobacco products will start using such products.

(5) BASIS FOR ACTION.—

(A) INVESTIGATIONS.—For purposes of paragraph (2)(A), whether permitting a tobacco product to be marketed would be appropriate for the protection of the public health shall, when appropriate, be determined on the basis of well-controlled investigations, which may include 1 or more clinical investigations by experts qualified by training and experience to evaluate the tobacco product.

(B) OTHER EVIDENCE.—If the Secretary determines that there exists valid scientific evidence (other than evidence derived from investigations described in subparagraph (A)) which is sufficient to evaluate the tobacco product, the Secretary may authorize that the determination for purposes of paragraph (2)(A) be made on the basis of such evidence.

(d) WITHDRAWAL AND TEMPORARY SUSPENSION.—

(1) IN GENERAL.—The Secretary shall, upon obtaining, where appropriate, advice on scientific matters from the Tobacco Products Scientific Advisory Committee, and after due notice and opportunity for informal hearing for a tobacco product for which an order was issued under subsection (c)(1)(A)(i), issue an order withdrawing the order if the Secretary finds—

(A) that the continued marketing of such tobacco product no longer is appropriate for the protection of the public health;

(B) that the application contained or was accompanied by an untrue statement of a material fact;

(C) that the applicant—

(i) has failed to establish a system for maintaining records, or has repeatedly or deliberately failed to maintain records or to make reports, required by an applicable regulation under section 909;

(ii) has refused to permit access to, or copying or verification of, such records as required by section 704; or

(iii) has not complied with the requirements of section 905;

(D) on the basis of new information before the Secretary with respect to such tobacco product, evaluated together with the evidence before the Secretary when the application was reviewed, that the methods used in, or the facilities and controls used for, the manufacture, processing, packing, or installation of such tobacco product do not conform with the requirements of section 906(e) and were not brought into conformity with such requirements within a reasonable time after receipt of written notice from the Secretary of nonconformity;

(E) on the basis of new information before the Secretary, evaluated together with the evidence before the Secretary when the application was reviewed, that the labeling of such tobacco product, based on a fair evaluation of all material facts, is false or misleading in any particular and was not corrected within a reasonable time after receipt of written notice from the Secretary of such fact; or

(F) on the basis of new information before the Secretary, evaluated together with the evidence before the Secretary when such order was issued, that such tobacco product is not shown to conform in all respects to a tobacco product standard which is in effect under section 907, compliance with which was a condition to the issuance of an order relating to the application, and that there is a lack of adequate information to justify the deviation from such standard.

(2) APPEAL.—The holder of an application subject to an order issued under paragraph (1) withdrawing an order issued pursuant to subsection (c)(1)(A)(i) may, by petition filed on or before the 30th day after the date upon which such holder receives notice of such withdrawal, obtain review thereof in accordance with section 912.

(3) TEMPORARY SUSPENSION.—If, after providing an opportunity for an informal hearing, the Secretary determines there is reasonable probability that the continuation of distribution of a tobacco product under an order would cause serious, adverse health consequences or death, that is greater than ordinarily caused by tobacco products on the market, the Secretary shall by order temporarily suspend the authority of the manufacturer to market the product. If the Secretary issues such an order, the Secretary shall proceed expeditiously under paragraph (1) to withdraw such application.

(e) SERVICE OF ORDER.—An order issued by the Secretary under this section shall be served—

(1) in person by any officer or employee of the department designated by the Secretary; or

(2) by mailing the order by registered mail or certified mail addressed to the applicant at the applicant's last known address in the records of the Secretary.

(f) RECORDS.—

(1) ADDITIONAL INFORMATION.—In the case of any tobacco product for which an order issued pursuant to subsection (c)(1)(A)(i) for an application filed under subsection (b) is in effect, the applicant shall establish and maintain such records, and make such reports to the Secretary, as the Secretary may by regulation, or by order with respect to such application, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to determine, or facilitate a determination of, whether there is or may be grounds for withdrawing or temporarily suspending such order.

(2) ACCESS TO RECORDS.—Each person required under this section to maintain records, and each person in charge of custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.

(g) INVESTIGATIONAL TOBACCO PRODUCT EXEMPTION FOR INVESTIGATIONAL USE.—The Secretary may exempt tobacco products intended for investigational use from the provisions of this chapter under such conditions as the Secretary may by regulation prescribe.

* * * * *

SECTION 1043 OF THE PRO-CHILDREN ACT OF 1994

SEC. 1043. NONSMOKING POLICY FOR CHILDREN'S SERVICES.

(a) PROHIBITION.—After the date of the enactment of this Act, no person shall permit **smoking** *smoking or use of vapor products* within any indoor facility owned or leased or contracted for and utilized by such person for provision of routine or regular kindergarten, elementary, or secondary education or library services to children.

(b) ADDITIONAL PROHIBITION.—After the date of the enactment of this Act, no person shall permit **smoking** *smoking or use of vapor products* within any indoor facility (or portion thereof) owned or leased or contracted for by such person for the provision by such person of regular or routine health care or day care or early childhood development (Head Start) services to children or for the use of the employees of such person who provides such services, except that this subsection shall not apply to—

(1) any portion of such facility that is used for inpatient hospital treatment of individuals dependent on, or addicted to, drugs or alcohol; and

(2) any private residence.

(c) FEDERAL AGENCIES.—

(1) KINDERGARTEN, ELEMENTARY, OR SECONDARY EDUCATION OR LIBRARY SERVICES.—After the date of the enactment of this Act, no Federal agency shall permit **smoking** *smoking*

or use of vapor products within any indoor facility in the United States operated by such agency, directly or by contract, to provide routine or regular kindergarten, elementary, or secondary education or library services to children.

(2) HEALTH OR DAY CARE OR EARLY CHILDHOOD DEVELOPMENT SERVICES.—After the date of the enactment of this Act, no Federal agency shall permit **[smoking]** *smoking or use of vapor products* within any indoor facility (or portion thereof) operated by such agency, directly or by contract, to provide routine or regular health or day care or early childhood development (Head Start) services to children, except that this paragraph shall not apply to—

(A) any portion of such facility that is used for inpatient hospital treatment of individuals dependent on, or addicted to, drugs or alcohol; and

(B) any private residence.

(3) APPLICATION OF PROVISIONS.—The provisions of paragraph (2) shall also apply to the provision of such routine or regular kindergarten, elementary or secondary education or library services in the facilities described in paragraph (2) not subject to paragraph (1).

(d) NOTICE.—The prohibitions in subsections (a) through (c) shall be incorporated by publication of a notice in the Federal Register by the Secretary (in consultation with the heads of other affected agencies) and by such agency heads in funding arrangements involving the provision of children's services administered by such heads. Such prohibitions shall be effective 90 days after such notice is published, or 270 days after the date of the enactment of this Act, whichever occurs first.

(e) SPECIAL WAIVER.—

(1) IN GENERAL.—On receipt of an application, the head of the Federal agency may grant a special waiver to a person described in subsection (a) who employs individuals who are members of a labor organization and provide children's services pursuant to a collective bargaining agreement that—

(A) took effect before the date of the enactment of this Act; and

(B) includes provisions relating to **[smoking]** *smoking or vapor product* privileges that are in violation of the requirements of this section.

(2) TERMINATION OF WAIVER.—A special waiver granted under this subsection shall terminate on the earlier of—

(A) the first expiration date (after the date of the enactment of this Act) of the collective bargaining agreement containing the provisions relating to **[smoking]** *smoking or vapor product* privileges; or

(B) the date that is 1 year after the date of the enactment of this Act.

(f) CIVIL PENALTIES.—

(1) IN GENERAL.—Any failure to comply with a prohibition in this section shall be a violation of this section and any person subject to such prohibition who commits such violation may be liable to the United States for a civil penalty in an amount not to exceed \$1,000 for each violation, or may be subject to an administrative compliance order, or both, as deter-

mined by the Secretary. Each day a violation continues shall constitute a separate violation. In the case of any civil penalty under this section, the total amount shall not exceed the amount of Federal funds received by such person for the fiscal year in which the continuing violations occurred. For the purpose of the prohibition in subsection (c), the term "person" shall mean the head of the applicable Federal agency or the contractor of such agency providing the services to children.

(2) ADMINISTRATIVE PROCEEDING.—A civil penalty may be assessed in a written notice, or an administrative compliance order may be issued, by the Secretary only after an opportunity for a hearing in accordance with section 554 of title 5. Before making such assessment or issuing such order, or both, the Secretary shall give written notice thereof to such person by certified mail with return receipt and provide therein an opportunity to request in writing not later than 30 days after the date of receipt of such notice such hearing. The notice shall reasonably describe the violation and be accompanied with the procedures for such hearing and a simple form to request such hearing if such person desires to use such form. If a hearing is requested, the Secretary shall establish by such certified notice the time and place for such hearing which should be located, to the greatest extent possible, at a location convenient to such person. The Secretary (or the Secretary's designee) and such person may consult to arrange a suitable date and location where appropriate.

(3) CIRCUMSTANCES AFFECTING PENALTY OR ORDER.—In determining the amount of the civil penalty or the nature of the administrative compliance order, the Secretary shall take into account, as appropriate—

(A) the nature, circumstances, extent, and gravity of the violation;

(B) with respect to the violator, any good faith efforts to comply, the importance of achieving early and permanent compliance, the ability to pay or comply, the effect of the penalty or order on the ability to continue operation, any prior history of the same kind of violation, the degree of culpability, and any demonstration of willingness to comply with the prohibitions of this section in a timely manner; and

(C) such other matters as justice may require.

(4) MODIFICATION.—The Secretary may, as appropriate, compromise, modify, or remit, with or without conditions, any civil penalty or administrative compliance order. In the case of a civil penalty, the amount, as finally determined by the Secretary or agreed upon in compromise, may be deducted from any sums that the United States or its agencies or instrumentalities owes to the person against whom the penalty is assessed.

(5) PETITION FOR REVIEW.—Any person aggrieved by a penalty assessed or an order issued, or both, by the Secretary under this section may file a petition for judicial review thereof with the United States Court of Appeals for the District of Columbia Circuit or for any other circuit in which the person resides or transacts business. Such person shall provide a copy

thereof to the Secretary or the Secretary's designee. The petition shall be filed within 30 days after the Secretary's assessment or order, or both, are final and have been provided to such person by certified mail. The Secretary shall promptly provide to the court a certified copy of the transcript of any hearing held under this section and a copy of the notice or order.

(6) FAILURE TO COMPLY.—If a person fails to pay an assessment of a civil penalty or comply with an order, after either or both are final under this section, or after a court under paragraph (5) has entered a final judgment in favor of the Secretary, the Attorney General, at the request of the Secretary, shall recover the amount of the civil penalty (plus interest at then currently prevailing rates from the day either or both are final) or enforce the order in an action brought in the appropriate district court of the United States. In such action, the validity and appropriateness of the penalty or order or the amount of the penalty shall not be subject to review.

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3(f)(1)(A) of rule XIII of the Rules of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill that directly or indirectly change the application of existing law.

The bill includes a number of provisions which place limitations on the use of funds in the bill or change existing limitations and which might, under some circumstances, be construed as changing the application of existing law:

1. *Office of the Secretary.*—Language is included to limit the amount of funds for official reception and representation expenses, as determined by the Secretary.

2. *Departmental Administration.*—Language is included to reimburse the agency for travel expenses incident to the holding of hearings.

3. *Agricultural Research Service.*—Language is included that allows the Agricultural Research Service to grant easements at the Beltsville, MD, agricultural research center and to grant easements at any facility for the construction of a research facility for use by the agency.

4. *Animal and Plant Health Inspection Service.*—A provision carried in the bill since fiscal year 1973 regarding state matching funds has been continued to assure more effective operation of the brucellosis control program through state cost sharing, with resulting savings to the Federal budget.

Language is included to allow APHIS to recoup expenses incurred from providing technical assistance goods, or services to non-APHIS personnel, and to allow transfers of funds for agricultural emergencies.

Language is included to limit the amount of funds for representational allowances.

5. *Agricultural Marketing Service, Limitation on Administrative Expenses.*—The bill includes language to allow AMS to exceed the limitation on administrative expenses by 10 percent with notification to the Appropriations Committees. This allows flexibility in

case crop size is understated and/or other uncontrollable events occur.

6. *Agricultural Marketing Service Inspection and Weighing Services.*—The bill includes authority to exceed the limitation on inspection and weighing services by 10 percent with notification to the Appropriations Committees. This allows for flexibility if export activities require additional supervision and oversight, or other uncontrollable factors occur.

7. *Dairy Indemnity Program.*—Language is included by reference that allows the Secretary to utilize the services of the Commodity Credit Corporation for the purpose of making dairy indemnity payments.

8. *Agricultural Credit Insurance Fund Program Account.*—Language is included that deems the pink bollworm a boll weevil for the purposes of administering the boll weevil loan program.

9. *Risk Management Agency.*—Language is included to limit the amount of funds for official reception and representation expenses.

10. *Commodity Credit Corporation Fund.*—Language is included to provide for the reimbursement appropriation. Language is also included to allow certain funds transferred from the Commodity Credit Corporation to be used for information resource management. In addition, language is included which limits the amount of funds that can be spent on operation and maintenance costs of CCC hazardous waste sites.

11. *Natural Resources Conservation Service.—Conservation Operations.*—Language which has been included in the bill since 1938 prohibits construction of buildings on land not owned by the government, although construction on land owned by states and counties is permitted as authorized by law.

12. *Rural Development Salaries and Expenses.*—Language is included to allow funds to be used for advertising and promotional activities and to limit the amount of funds to provide modest non-monetary awards to non-USDA employees.

13. *Rental Assistance Program.*—Language is included which provides that agreements entered into during the current fiscal year be funded for a one-year period. Language also is included to renew contracts once during any 12-month period.

14. *Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).*—Language is included to purchase infant formula except in accordance with law and pay for activities that are not fully reimbursed by other departments or agencies unless authorized by law.

15. *Supplemental Nutrition Assistance Program.*—Language is included to enter into contracts and employ staff to conduct studies, evaluations, or to conduct activities related to program integrity.

16. *Foreign Agricultural Service.*—Language carried since 1979 enables this agency to use funds received by an advance or by reimbursement to carry out its activities involving international development and technical cooperation. Language is included to limit the amount of funds for official reception and representation expenses.

17. *Commodity Futures Trading Commission.*—Language is included to limit the amount of funds for official reception and representation expenses. Language that allows the Commission to

record prior year lease obligations to correct a violation of the Anti-Deficiency Act.

18. *Farm Credit Administration*.—The bill includes authority to exceed the limitation on assessments by 10 percent with notification to the Appropriations Committees.

19. *Office of Codex Alimentarius*.—Language is included to limit the amount of funds for official reception and representation expenses.

20. *General Provisions*.—

Section 704: This provision provides that none of the funds in this Act may be made available to pay indirect costs charged against competitive agricultural research, education, or extension grants awarded by the National Institute of Food and Agriculture in excess of 10 percent of total direct costs.

Section 705: This provision allows funds made available in the current fiscal year for the Rural Development Loan Fund program account; the Rural Electrification and Telecommunications Loans program account; and the Rural Housing Insurance Fund program account to remain available until expended to disburse obligations.

Section 706: Language is included that requires approval of the Chief Information Officer and the concurrence of the Executive Information Technology Investment Review Board for acquisition of new information technology systems or significant upgrades, and that prohibits the transfer of funds to the Office of the Chief Information Officer without the notification of the Committees on Appropriations of both Houses of Congress.

Section 707: Language is included regarding the availability of funds for certain conservation programs.

Section 708: Language is included regarding certain Rural Utilities Service Programs.

Section 709: Language is included that allows unobligated balances of the Farm Service Agency and Rural Development mission areas to be used for information technology purposes.

Section 710: Language is included regarding the prohibition of first-class travel by the employees of agencies funded in this Act.

Section 711: Language is included regarding the funds of the Commodity Credit Corporation.

Section 712: Language is included that limits the amount of spending for USDA Advisory Committees.

Section 713: Language is included regarding indirect costs for grants.

Section 714: Language regarding IT systems regulation.

Section 715: Language regarding Section 32 activities.

Section 716: Language is included that prohibits funds from being used to prepare a budget submission to Congress that assumes reductions from the previous year's budget due to user fee proposals unless the submission also identifies spending reductions which should occur if the user fees are not enacted.

Section 717: Language is included that requires certain reprogramming procedures of funds provided in Appropriations Acts.

Section 718: Language is included regarding fees for the business and industry guaranteed loan program.

Section 719: This provision prohibits the Department of Agriculture or the Food and Drug Administration from transmitting or making available to any non-Department of Agriculture or non-De-

partment of Health and Human Services employee questions or responses to questions that are a result of information requested for the appropriations hearing process.

Section 720: Language regarding prepackaged news stories.

Section 721: This provision prohibits any employee of the Department of Agriculture from being detailed or assigned to any other agency or office of the Department for more than 60 days unless the individual's employing agency or office is fully reimbursed by the receiving agency or office for the salary and expenses of the employee for the period of assignment.

Section 722: Language requiring spending plans.

Section 723: Language regarding certain unobligated balances.

Section 724: Language is included regarding the Single Family Housing Direct Loan Program.

Section 725: Language is included on certain USDA loan programs.

Section 726: Language is included regarding the Working Capital Fund.

Section 727: Language is included regarding purchases made through child nutrition programs.

Section 728: Language is included regarding water and waste disposal sanitation loans.

Section 729: Language is included regarding the Agriculture and Food Research Institute.

Section 730: Language is included regarding rural loan programs.

Section 731: Language is included regarding disclosure of information for pharmaceuticals.

Section 732: Language regarding genetic modification.

Section 733: Language regarding beverage production process.

Section 734: Language regarding emergency food aid.

Section 735: Language regarding Rural Utility Service.

Section 736: Language regarding meat and poultry regulation.

Section 737: Language regarding research and evaluation plan.

Section 738: Language regarding the Commodity Exchange Act.

Section 739: Language regarding audits.

Section 740: Language regarding FDA regulations.

Section 741: Language regarding animal research.

Section 742: Language regarding the Food Security Act.

Section 743: Language regarding domestic preference.

Section 744: Language regarding community eligibility.

Section 745: Language regarding lobbying.

Section 746: Language regarding office operations.

Section 747: Language regarding housing programs.

Section 748: Language regarding child nutrition programs.

Section 749: Language regarding community eligibility.

Section 750: Language regarding community eligibility.

Section 751: Language regarding poultry products.

Section 752: Language regarding FDA regulation.

Section 753: Language regarding fund access.

Section 754: Language regarding the citrus greening.

Section 755: Language regarding the FDA regulation.

Section 756: Language regarding geographic areas.

Section 757: Language regarding child nutrition.

Section 758: Language regarding the veteran farming.

- Section 759: Language regarding broadband expansion.
- Section 760: Language regarding cost-benefit analysis.
- Section 761: Language regarding biomass crop assistance program.
- Section 762: Language regarding FDA regulation.
- Section 763: Language regarding dietary guidelines.
- Section 764: Language regarding food labeling.
- Section 765: Language regarding the availability of funds.
- Section 766: Language regarding genetically engineered labeling.
- Section 767: Language regarding the school breakfast program.
- Section 768: Language regarding the SNAP program.
- Section 769: Language regarding premium cigars.
- Section 770: Language regarding cigars.
- Section 771: Language regarding the Federal Food, Drug, and Cosmetic Act.
- Section 772: Language regarding tobacco product standards.
- Section 773: Language regarding the labeling of tobacco products.
- Section 774: Language regarding tobacco regulation.
- Section 775: Language regarding age verification of tobacco purchases.
- Section 776: Language regarding a report.
- Section 777: Language regarding a report.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3(f)(1)(B) of rule XIII of the Rules of the House of Representatives, the following table lists the appropriations in the accompanying bill which are not authorized by law for the period concerned:

Agency/program	Last year of authorization	Authorization level	Appropriation in last year of authorization	Appropriations in this bill
CFTC	2013	Such sums	205,000,000	255,000,000
Farmers' Market Nutrition Program	2015	Such sums	16,548,000	18,548,000
State Administrative Expenses	2015	Such sums	263,686,000	302,906,000
Summer Food Service Program	2015	Such sums	495,521,000	519,461,000
WIC	2015	Such sums	6,623,000,000	6,000,000,000
Multi-Family Revitalization Program	2016	Such sums	41,400,000	53,000,000
Broadband Telecommunications Grants	2016	Such sums	34,500,000	30,000,000

COMPARISON WITH THE BUDGET RESOLUTION

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1)(A) of the Congressional Budget Act of 1974, the following table compares the levels of new budget authority provided in the bill with the appropriate allocation under section 302(b) of the Budget Act:

[In millions of dollars]

	302(b) Allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Comparison of amounts in the bill with Committee allocations to its subcommittees: Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.				
Mandatory	0	0	40,695	¹ 35,345

[In millions of dollars]

	302(b) Allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Discretionary	0	0	23,242	24,677

¹ Includes outlays from prior-year budget authority.

FIVE-YEAR OUTLAY PROJECTIONS

Pursuant to clause 3(c)(2) of rule XIII and section 308(a)(1)(B) of the Congressional Budget Act of 1974, the following table contains five-year projections associated with the budget authority provided in the accompanying bill as provided to the Committee by the Congressional Budget Office:

[In millions of dollars]

	302(b) Allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Projection of outlays associated with the recommendation:				
2019	n.a	n.a	n.a	¹ 41,393
2020	n.a	n.a	n.a	6,159
2021	n.a	n.a	n.a	1,399
2022	n.a	n.a	n.a	745
2023 and future years	n.a	n.a	n.a	466

¹ Excludes outlays from prior-year budget authority.

ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

Pursuant to clause 3(c)(2) of rule XIII and section 308(a)(1)(C) of the Congressional Budget Act of 1974, the Congressional Budget Office has provided the following estimates of the amounts of financial assistance to State and local governments is as follows:

[In millions of dollars]

	302(b) Allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Financial assistance to State and local governments for 2018	n.a	n.a	40,171	¹ 24,463

¹ Excludes outlays from prior-year budget authority.

PROGRAM DUPLICATION

No provision of this bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the GAO to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DIRECTED RULE MAKING

Pursuant to section 3(i) of H. Res. 5 (115th Congress), the bill includes the following directed rule makings:

- Sec. 727 (SNAP)
- Sec. 736 (FSIS)
- Sec. 751 (FSIS)

Sec. 772 (FDA)
Sec. 773 (FDA).

TABLE OF FUNDING RECOMMENDATIONS

The following table provides the amounts recommended by the Committee compared with the budget estimates by account.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - AGRICULTURAL PROGRAMS					
Processing, Research, and Marketing					
Office of the Secretary					
Office of the Secretary.....	5,051	4,850	5,051	---	+201
Assistant to the Secretary for Rural Development.....	800	800	800	---	---
Office of Homeland Security.....	1,496	1,448	1,496	---	+48
Office of Partnerships and Public Engagement.....	4,711	1,672	4,711	---	+3,039
Office of the Assistant Secretary for Administration... Departmental Administration.....	804 22,301	875 22,501	875 16,301	+71 -6,000	---
Subtotal, Departmental Administration.....	23,105	23,376	17,176	-5,929	-6,200
Office of the Assistant Secretary for Congressional Relations.....					
Office of Communications.....	3,869	3,091	3,750	-119	+659
Total, Office of the Secretary.....	46,532	42,498	39,287	-7,245	-3,211

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Executive Operations					
Office of the Chief Economist.....	19,786	19,487	21,286	+1,500	+1,799
Office of Hearings and Appeals.....	15,222	14,183	14,972	-250	+789
Office of Budget and Program Analysis.....	9,525	8,631	9,525	---	+894
Subtotal, Executive Operations.....	44,533	42,301	45,783	+1,250	+3,482
Office of the Chief Information Officer.....	58,950	62,524	58,950	---	-3,574
Office of the Chief Financial Officer.....	6,028	5,536	5,741	-287	+205
Office of the Assistant Secretary for Civil Rights.....	901	800	901	---	+101
Office of Civil Rights.....	24,206	22,345	24,206	---	+1,861
Building and Facilities					
Agriculture Buildings and Facilities.....	64,414	58,330	62,250	-2,164	+3,920
Hazardous materials management.....	3,503	3,463	3,503	---	+40
Office of Inspector General.....	98,208	87,436	98,208	---	+10,772
Office of the General Counsel.....	44,546	41,717	44,846	+300	+3,129
Office of Ethics.....	4,136	2,897	4,136	---	+1,239
Total, Departmental Administration.....	395,957	369,847	387,811	-8,146	+17,964
Office of the Under Secretary for Research, Education, and Economics.....	800	800	800	---	---
Economic Research Service.....	86,757	45,000	86,757	---	+41,757
National Agricultural Statistics Service.....	191,717	165,000	173,717	-18,000	+8,717
Census of Agriculture.....	(63,350)	(45,300)	(45,350)	(-18,000)	(+50)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request

Agricultural Research Service:					
Salaries and expenses.....	1,202,766	1,018,991	1,259,916	+57,150	+240,925
Buildings and facilities.....	140,600	---	136,000	-4,600	+136,000
	-----	-----	-----	-----	-----
Total, Agricultural Research Service.....	1,343,366	1,018,991	1,395,916	+52,550	+376,925
National Institute of Food and Agriculture:					
Research and education activities.....	887,171	794,479	920,012	+32,841	+125,533
Native American Institutions Endowment Fund.....	(11,880)	(11,857)	(11,880)	---	(+23)
Extension activities.....	483,626	450,185	495,826	+12,000	+45,441
Integrated activities.....	37,000	13,037	37,000	---	+23,963
	-----	-----	-----	-----	-----
Total, National Institute of Food and Agriculture.....	1,407,797	1,257,701	1,452,638	+44,841	+194,937
Office of the Under Secretary for Marketing and Regulatory Programs.....	901	800	901	---	+101
Animal and Plant Health Inspection Service:					
Salaries and expenses.....	981,893	739,151	998,353	+16,460	+259,202
Buildings and facilities.....	3,175	2,852	3,175	---	+323
	-----	-----	-----	-----	-----
Total, Animal and Plant Health Inspection Service.....	985,068	742,003	1,001,528	+16,460	+259,525
Agricultural Marketing Service:					
Marketing Services.....	151,595	118,617	153,095	+1,500	+34,478
Standardization activities (user fees)	(65,000)	---	(65,000)	---	(+65,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
(Limitation on administrative expenses, from fees collected).....	(61,227)	(60,982)	(61,227)	---	(+245)
Funds for strengthening markets, income, and supply (Section 32):					
Permanent, Section 32.....	1,344,000	1,374,000	1,374,000	+30,000	---
Marketing agreements and orders (transfer from section 32).....	(20,705)	(20,489)	(20,705)	---	(+216)
Payments to States and Possessions.....	1,235	1,109	1,235	---	+126
Limitation on inspection and weighing services....	(55,000)	(80,000)	(55,000)	---	(-25,000)
Total, Agricultural Marketing Service program...	1,613,057	1,634,708	1,644,557	+31,500	+9,849
Office of the Under Secretary for Food Safety	800	800	800	---	---
Food Safety and Inspection Service.....	1,056,844	1,032,273	1,049,344	-7,500	+17,071
Lab accreditation fees.....	(1,000)	(1,000)	(1,000)	---	---
Total, Processing, Research, and Marketing.....	6,966,837	6,126,941	7,078,542	+111,705	+951,601
Total, Title I, Agricultural Programs.....	6,966,837	6,126,941	7,078,542	+111,705	+951,601
(By transfer).....	(20,705)	(20,489)	(20,705)	---	(+216)
(Loan authorization).....	---	---	---	---	---
(Limitation on administrative expenses).....	(116,227)	(140,982)	(116,227)	---	(-24,755)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request

TITLE II - Farm Production and Conservation Programs					
Farm Production Programs					
Office of the Under Secretary for Farm Production and Conservation.....	901	875	901	---	+26
Farm Production and Conservation Business Center..... (Transfer from ACIF).....	1,028 ---	196,402 (16,081)	115,402 (16,081)	+114,374 (+16,081)	-81,000 ---
Farm Service Agency:					
Salaries and expenses.....	1,202,146	920,490	1,095,769	-106,377	+175,279
(Transfer from Food for Peace (P.L. 480)).....	(149)	(142)	(142)	(-7)	---
(Transfer from export loans).....	(2,463)	(335)	(2,463)	---	(+2,128)
(Transfer from ACIF).....	(314,998)	(266,436)	(302,117)	(-12,881)	(+35,681)
Subtotal, transfers from program accounts.....	(317,610)	(266,913)	(304,722)	(-12,888)	(+37,809)
Total, Salaries and expenses.....	(1,519,756)	(1,187,403)	(1,400,491)	(-119,265)	(+213,088)
State mediation grants.....	3,904	3,228	3,228	-676	---
Grassroots source water protection program.....	6,500	---	6,500	---	+6,500
Dairy indemnity program.....	500	500	500	---	---
Subtotal, Farm Service Agency.....	1,213,050	924,218	1,105,997	-107,053	+181,779

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request

Agricultural Credit Insurance Fund (ACIF) Program					
Account:					
Loan authorizations:					
Farm ownership loans:					
Direct.....	(1,500,000)	(1,500,000)	(1,500,000)	---	---
Guaranteed.....	(2,750,000)	(2,750,000)	(2,750,000)	---	---
Subtotal.....	(4,250,000)	(4,250,000)	(4,250,000)	---	---

Farm operating loans:					
Direct.....	(1,530,000)	(1,500,000)	(1,530,000)	---	(+30,000)
Unsubsidized guaranteed.....	(1,960,000)	(1,600,000)	(1,960,000)	---	(-360,000)
Subtotal.....	(3,490,000)	(3,100,000)	(3,490,000)	---	(+390,000)

Emergency loans.....					
Indian tribe land acquisition loans.....	(25,610)	(37,668)	(37,668)	(+12,058)	---
Conservation loans:					
Guaranteed.....	(150,000)	(150,000)	(150,000)	---	---
Indian Highly Fractionated Land Loans.....	(10,000)	---	(10,000)	---	(+10,000)
Boll weevil eradication loans.....	(60,000)	(60,000)	(30,000)	(-30,000)	(-30,000)
Total, Loan authorizations.....	(8,005,610)	(7,617,668)	(7,987,668)	(-17,942)	(+370,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Loan subsidies:					
Farm operating loans:					
Direct.....	61,812	58,500	59,670	-2,142	+1,170
Unsubsidized guaranteed.....	21,756	17,280	21,168	-588	+3,888
Subtotal.....	83,568	75,780	80,838	-2,730	+5,058
Emergency Loans.....	1,260	1,567	1,567	+307	---
Indian Highly Fractionated Land Loans.....	2,272	---	2,134	-138	+2,134
Total, Loan subsidies and grants.....	87,100	77,347	84,539	-2,561	+7,192
ACIF administrative expenses:					
Salaries and Expenses (transfer to FSA)....	314,998	266,436	302,117	-12,881	+35,681
Administrative Expenses.....	10,070	10,070	10,070	---	---
Administrative Expenses (transfer to FPAC Business Center).....	---	16,081	16,081	+16,081	---
Total, ACIF expenses.....	325,068	292,587	328,268	+3,200	+35,681
Total, Agricultural Credit Insurance Fund... (Loan authorization).....	412,168 (8,005,610)	369,934 (7,617,668)	412,807 (7,987,668)	+639 (-17,942)	+42,873 (+370,000)
Total, Farm Service Agency.....	1,627,147	1,491,429	1,635,107	+7,960	+143,678

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
 (Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Risk Management Agency:					
RMA Salaries and Expenses.....	74,829	37,942	75,419	+590	+37,477
Subtotal, Risk Management Agency.....	74,829	37,942	75,419	+590	+37,477
Total, Farm Production Programs.....	1,701,976	1,529,371	1,710,526	+8,550	+181,155
Natural Resources Conservation Service:					
Private Lands Conservation Operations.....	874,107	669,033	890,293	+16,186	+221,260
Farm Security and Rural Investment program (transfer authority).....	---	(850,200)	---	---	(-850,200)
Total, Conservation operations.....	874,107	669,033	890,293	+16,186	+221,260
Watershed flood and prevention operations.....	150,000	---	150,000	---	+150,000
Watershed rehabilitation program.....	10,000	---	10,000	---	+10,000
Total, Natural Resources Conservation Service...	1,034,107	669,033	1,050,293	+16,186	+381,260

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request

Corporations					
Federal Crop Insurance Corporation:					
Federal crop insurance corporation fund.....	8,913,000	8,687,000	8,687,000	-226,000	---
Commodity Credit Corporation Fund:					
Reimbursement for net realized losses.....	14,284,847	15,410,000	15,410,000	+1,125,153	---
Hazardous waste management (limitation on expenses).....	(5,000)	(5,000)	(5,000)	---	---
Total, Corporations.....	23,197,847	24,097,000	24,097,000	+899,153	---
=====					
Total, Title II, Farm Production and Conservation Programs.....	25,933,930	26,295,404	26,857,819	+923,889	+562,415
=====					

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE III - RURAL DEVELOPMENT					
Rural Development:					
Rural development expenses:					
Salaries and expenses.....	230,835	156,054	236,835	+6,000	+80,781
(Transfer from RHIF).....	(412,254)	(244,249)	(412,254)	---	(+168,005)
(Transfer from RCFP).....	---	(147,591)	---	---	(-147,591)
(Transfer from RDLFP).....	(4,468)	---	(4,468)	---	(+4,468)
(Transfer from RETLP).....	(33,270)	(38,027)	(33,270)	---	(-4,757)
(Transfer from DLTP).....	---	(8,057)	---	---	(-8,057)
(Transfer from RWDPP).....	---	(18,149)	---	---	(-18,149)
Subtotal, Transfers from program accounts.	(449,992)	(456,073)	(449,992)	---	(-6,081)
Total, Rural development expenses.....	(680,827)	(612,127)	(686,827)	(+6,000)	(+74,700)
Rural Housing Service:					
Rural Housing Insurance Fund Program Account:					
Loan authorizations:					
Single family direct (Sec. 502).....	(1,100,000)	---	(1,000,000)	(-100,000)	(+1,000,000)
Unsubsidized guaranteed.....	(24,000,000)	(24,000,000)	(24,000,000)	---	---
Subtotal, Single family.....	(25,100,000)	(24,000,000)	(25,000,000)	(-100,000)	(+1,000,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Housing repair (Sec. 504)	(28,000)	---	(28,000)	---	(+28,000)
Rental housing (Sec. 515)	(40,000)	---	(40,000)	---	(+40,000)
Multi-family housing guarantees (Sec. 538)	(230,000)	(250,000)	(230,000)	---	(-20,000)
Site development loans (Sec. 524)	(5,000)	---	(5,000)	---	(+5,000)
Single family housing credit sales	(10,000)	(10,000)	(10,000)	---	---
Self-help housing land development housing loans (Sec. 523)	(5,000)	---	(5,000)	---	(+5,000)
Farm Labor Housing (Sec.514)	(23,855)	---	(27,500)	(+3,645)	(+27,500)
Total, Loan authorizations	(25,441,855)	(24,260,000)	(25,345,500)	(-96,355)	(+1,085,500)
Loan subsidies:					
Single Family Direct (Sec. 502)	42,350	---	49,000	+6,650	+49,000
Housing repair (Sec. 504)	3,452	---	3,418	-34	+3,418
Rental housing (Sec. 515)	10,524	---	9,484	-1,040	+9,484
Farm labor housing (Sec.514)	6,374	---	6,853	+479	+6,853
Self-Help Land Development Housing Loans (Sec.523)	368	---	431	+63	+431
Site Development Loans (Sec.524)	58	---	176	+118	+176
Total, Loan subsidies	63,126	---	69,362	+6,236	+69,362
Farm labor housing grants	8,336	---	10,000	+1,664	+10,000
RHIF administrative expenses (transfer to RD)	412,254	244,249	412,254	---	+168,005
Total, Rural Housing Insurance Fund program (Loan authorization)	483,716	244,249	491,616	+7,900	+247,367
	(25,441,855)	(24,260,000)	(25,345,500)	(-96,355)	(+1,085,500)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rental assistance program:					
Rental assistance (Sec. 521).....	1,345,293	1,331,400	1,331,400	-13,893	---
Multi-Family Housing Revitalization Program Account:					
Rural housing voucher program.....	25,000	20,000	28,000	+3,000	+8,000
Multi-family housing revitalization program.....	22,000	---	25,000	+3,000	+25,000
Total, Multi-family housing revitalization.....	47,000	20,000	53,000	+6,000	+33,000
Mutual and self-help housing grants.....	30,000	---	30,000	---	+30,000
Rural housing assistance grants.....	40,000	---	45,000	+5,000	+45,000
Rural community facilities program account:					
Loan authorizations:					
Community facility:					
Direct.....	(2,800,000)	(3,500,000)	(2,800,000)	---	(-700,000)
Guaranteed.....	(148,287)	---	(200,000)	(+51,713)	(+200,000)
Total, Loan authorizations.....	(2,948,287)	(3,500,000)	(3,000,000)	(+51,713)	(-500,000)
Loan subsidies and grants:					
Community facility:					
Guaranteed.....	4,849	---	---	-4,849	---
Grants.....	30,000	---	30,000	---	+30,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rural community development initiative.....	4,000	---	4,000	---	+4,000
Economic impact initiative grants.....	5,778	---	5,778	---	+5,778
Tribal college grants.....	4,000	---	4,000	---	+4,000
RCFP administrative expenses (transfer to RD)	---	147,591	---	---	-147,591
Total, RCFP Loan subsidies and grants....	48,627	147,591	43,778	-4,849	-103,813
Subtotal, grants and payments.....	118,627	147,591	118,778	+151	-28,813
Total, Rural Housing Service.....	1,994,636	1,743,240	1,994,794	+158	+251,554
(Loan authorization).....	(28,390,142)	(27,760,000)	(28,345,500)	(-44,642)	(+585,500)
Rural Business--Cooperative Service:					
Rural Business Program Account:					
(Guaranteed business and industry loans).....	(919,765)	---	(950,000)	(+30,235)	(+950,000)
Loan subsidies and grants:					
Guaranteed business and industry subsidy...	37,342	---	28,215	-9,127	+28,215
Rural business development grants.....	34,000	---	34,000	---	+34,000
Delta Regional Authority and Appalachian Regional Commission.....	6,000	---	5,000	-1,000	+5,000
Total, RBP loan subsidies and grants.....	77,342	---	67,215	-10,127	+67,215
Intermediary Relending Program Fund Account:					
(Loan authorization).....	(18,889)	---	(20,000)	(+1,111)	(+20,000)
Loan subsidy.....	4,361	---	4,402	+41	+4,402
Administrative expenses (transfer to RD).....	4,468	---	4,468	---	+4,468
Total, IRP Fund.....	8,829	---	8,870	+41	+8,870

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rural Economic Development Loans Program Account:					
(Loan authorization).....	(45,000)	---	(50,000)	(+5,000)	(+50,000)
Limit cushion of credit interest spending.....	---	(225,000)	(50,000)	(+50,000)	(-175,000)
(Rescission).....	---	-225,000	-50,000	-50,000	+175,000
Rural Cooperative Development Grants:					
Cooperative development.....	5,800	---	5,800	---	+5,800
Appropriate Technology Transfer for Rural Areas.....	2,750	---	2,750	---	+2,750
Grants to assist minority producers.....	3,000	---	3,000	---	+3,000
Value-added agricultural product market development.....	16,000	---	16,000	---	+16,000
Total, Rural Cooperative development grants.	27,550	---	27,550	---	+27,550
Rural Energy for America Program					
(Loan authorization).....	(7,576)	---	(7,500)	(-76)	(+7,500)
Loan subsidy and grants.....	293	---	335	+42	+335
Total, Rural Energy for America Program.....	293	---	335	+42	+335
Total, Rural Business-Cooperative Service.....	114,014	-225,000	53,970	-60,044	+278,970
(Loan authorization).....	(991,230)	---	(1,027,500)	(+36,270)	(+1,027,500)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rural Utilities Service:					
Rural water and waste disposal program account:					
Loan authorizations:					
Direct.....	(1,200,000)	(1,200,000)	(1,400,000)	(+200,000)	(+200,000)
Guaranteed.....	(50,000)	---	(50,000)	---	(+50,000)
Total, Loan authorization.....	1,250,000	1,200,000	1,450,000	+200,000	+250,000
Loan subsidies and grants:					
Direct subsidy.....	2,040	---	---	-2,040	---
Guaranteed subsidy.....	230	---	190	-40	+190
Water and waste revolving fund.....	1,000	---	1,000	---	+1,000
Water well system grants.....	1,993	---	1,500	+507	+1,500
Colonias and AK/HI grants.....	68,000	---	65,000	-3,000	+65,000
Water and waste technical assistance.....	40,000	---	22,000	-18,000	+22,000
Circuit rider program.....	19,000	---	19,000	---	+19,000
Solid waste management grants.....	4,000	---	4,000	---	+4,000
High energy cost grants.....	10,000	---	10,000	---	+10,000
Water and waste disposal grants.....	400,000	---	500,000	+100,000	+500,000
306A(1)(2) grants.....	15,000	---	15,000	---	+15,000
WMDP Administrative expenses (transfer to RD).....	---	18,149	---	---	-18,149
Total, Loan subsidies and grants.....	560,263	18,149	637,690	+77,427	+619,541

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rural Electrification and Telecommunications Loans					
Program Account:					
Loan authorizations:					
Electric:					
Direct, FFB.....	(5,500,000)	(5,500,000)	(5,500,000)	---	---
Guaranteed underwriting.....	(750,000)	---	(750,000)	---	(+750,000)
Subtotal, Electric.....	(6,250,000)	(5,500,000)	(6,250,000)	---	(+750,000)
Telecommunications:					
Direct, Treasury rate.....	(345,000)	(172,600)	(465,000)	(+120,000)	(+292,400)
Direct, FFB.....	(345,000)	(517,400)	(225,000)	(-120,000)	(-292,400)
Subtotal, Telecommunications.....	(690,000)	(690,000)	(690,000)	---	---
Total, Loan authorizations.....	(6,940,000)	(6,190,000)	(6,940,000)	---	(+750,000)
Loan Subsidy:					
Telecommunications Direct, Treasury Rate.....	863	863	1,125	+262	+262
Total, Loan subsidies.....	863	863	1,125	+262	+262
RETLP administrative expenses (transfer to RD)	33,270	38,027	33,270	---	-4,757
Total, Rural Electrification and Telecommunications Loans Program Account. (Loan authorization).....	34,133 (6,940,000)	38,890 (6,190,000)	34,395 (6,940,000)	+262 ---	-4,495 (+750,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Broadband Program:					
Loan authorizations:					
Broadband telecommunications.....	(29,851)	(23,149)	(29,851)	---	(+6,702)
Total, Loan authorizations.....	(29,851)	(23,149)	(29,851)	---	(+6,702)
Loan subsidies and grants:					
Distance learning and telemedicine:					
Grants.....	32,000	23,600	35,000	+3,000	+11,400
Broadband telecommunications:					
Direct.....	5,000	4,521	5,830	+830	+1,309
Grants.....	30,000	30,000	30,000	---	---
Total, Loan subsidies and grants.....	67,000	58,121	70,830	+3,830	+12,709
DLTBP administrative expenses (transfer to RD)	---	8,057	---	---	-8,057
Total, Rural Utilities Service.....	661,396	123,217	742,915	+81,519	+619,698
(Loan authorization).....	(8,219,851)	(7,413,149)	(8,419,851)	(-200,000)	(+1,006,702)
Total, Title III, Rural Development Programs....	3,000,881	1,797,511	3,028,514	+27,633	+1,231,003
(By transfer).....	(449,992)	(456,073)	(449,992)	---	(-6,081)
(Loan authorization).....	(37,601,223)	(35,173,149)	(37,792,851)	(+191,628)	(+2,619,702)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE IV - DOMESTIC FOOD PROGRAMS					
Office of the Under Secretary for Food, Nutrition and Consumer Services.....	800	800	800	---	---
Food and Nutrition Service:					
Child nutrition programs	24,196,139	23,123,983	23,125,512	-1,070,627	+1,529
School breakfast program equipment grants.....	30,000	---	30,000	---	+30,000
Demonstration projects (Summer EBT).....	28,000	22,957	28,000	---	+5,043
Total, Child nutrition programs.....	24,254,139	23,146,940	23,183,512	-1,070,627	+36,572
Special supplemental nutrition program for women, infants, and children (WIC).....	6,175,000	5,750,000	6,000,000	-175,000	+250,000
Supplemental nutrition assistance program: (Food stamp program).....	71,012,501	70,218,276	70,218,276	-794,225	---
Reserve.....	3,000,000	3,000,000	3,000,000	---	---
FDPIR nutrition education services.....	998	---	998	---	+998
Total, Food stamp program.....	74,013,499	73,218,276	73,219,274	-794,225	+998
Fiscal year 2018.....	(74,013,499)	(73,218,276)	(73,219,274)	(-794,225)	(+998)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Commodity assistance program:					
Commodity supplemental food program.....	238,120	---	222,891	-15,229	+222,891
Farmers market nutrition program.....	18,548	---	18,548	---	+18,548
Emergency food assistance program.....	64,401	54,401	64,401	---	+10,000
Pacific island and disaster assistance.....	1,070	1,070	1,070	---	---
Total, Commodity assistance program.....	322,139	55,471	306,910	-15,229	+251,439
Nutrition programs administration.....					
	153,841	160,838	162,838	+8,997	+2,000
Total, Food and Nutrition Service.....	104,918,618	102,331,525	102,872,534	-2,046,084	+541,009
FY 2018.....	(104,918,618)	(102,331,525)	(102,872,534)	(-2,046,084)	(+541,009)
Total, Title IV, Domestic Food Programs.....	104,919,418	102,332,325	102,873,334	-2,046,084	+541,009
FY 2018.....	(104,918,618)	(102,331,525)	(102,872,534)	(-2,046,084)	(+541,009)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE V - FOREIGN ASSISTANCE AND RELATED PROGRAMS					
Office of the Under Secretary for Trade and Foreign Agricultural Affairs.....	875	875	875	---	---
Office Codex Alimentarius.....	3,796	3,796	3,796	---	---
Foreign Agricultural Service					
Salaries and expenses.....	199,666	193,085	204,138	+4,472	+11,053
(Transfer from export loans).....	(6,382)	(6,717)	(6,717)	(+335)	---
Total, Salaries and expenses.....	206,048	199,802	210,855	+4,807	+11,053
Food for Peace Title I Direct Credit and Food for Progress Program Account, Administrative Expenses					
Farm Service Agency, Salaries and expenses (transfer to FSA).....	149	142	142	-7	---
Food for Peace Title II Grants: Expenses.....	1,600,000	---	1,500,000	-100,000	+1,500,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Commodity Credit Corporation Export Loans					
Program Account (administrative expenses):					
Salaries and expenses (Export Loans):					
Foreign Agriculture Service, S&E (transfer to FAS)	6,382	6,717	6,717	+335	---
Farm Service Agency S&E (transfer to FSA)	2,463	335	2,463	---	+2,128
Total, CCC Export Loans Program Account	8,845	7,052	9,180	+335	+2,128
McGovern-Dole International Food for Education and Child Nutrition program grants	207,626	---	207,626	---	+207,626
Total, Title V, Foreign Assistance and Related Programs	2,020,957	204,950	1,925,757	-95,200	+1,720,807
(By transfer)	(6,382)	(6,717)	(6,717)	(+335)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
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(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE VI - RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration					
Salaries and expenses, direct appropriation.....	2,800,078	3,171,920	3,107,789	+307,711	-64,131
Prescription drug user fees.....	(911,346)	(960,568)	(960,568)	(+49,222)	---
Medical device user fees.....	(193,291)	(196,668)	(196,668)	(+3,377)	---
Human generic drug user fees.....	(493,600)	(501,396)	(501,396)	(+7,796)	---
Biosimilar biological products user fees.....	(40,214)	(40,922)	(40,922)	(+708)	---
Animal drug user fees.....	(18,093)	(30,331)	(30,331)	(+12,238)	---
Animal generic drug user fees.....	(9,419)	(18,336)	(18,336)	(+8,917)	---
Tobacco product user fees.....	(672,000)	(712,000)	(712,000)	(+40,000)	---
Subtotal, user fees, enacted and definite.....	(2,337,963)	(2,460,221)	(2,460,221)	(+122,258)	---
Subtotal (including user fees).....	(5,138,041)	(5,632,141)	(5,568,010)	(+429,969)	(-64,131)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
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(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Mammography user fees.....	(20,522)	(20,522)	(20,522)	---	---
Export user fees.....	(4,696)	(4,696)	(4,696)	---	---
Color certification user fees.....	(10,125)	(10,062)	(10,062)	(-63)	---
Food and Feed Recall user fees.....	(1,434)	(1,434)	(1,434)	---	---
Food Reinspection fees.....	(6,414)	(6,414)	(6,414)	---	---
Voluntary qualified importer program fees.....	(5,300)	(5,300)	(5,300)	---	---
Pharmacy compounding fees.....	(1,446)	(1,520)	(1,520)	(+74)	---
Priority review vouchers (PRV) pediatric disease.....	(7,686)	(7,686)	(7,686)	---	---
Third party auditor.....	(1,400)	(712)	(712)	(-688)	---
Over-the-Counter Monograph fees (legislative proposal).....	---	(22,000)	(22,000)	(+22,000)	---
Increased export certification fees (legislative proposal).....	---	(4,280)	(4,280)	(+4,280)	---
Subtotal, FDA user fees.....	(2,396,986)	(2,544,847)	(2,544,847)	(+147,861)	---
Subtotal, FDA (including user fees).....	(5,197,064)	(5,716,767)	(5,652,636)	(+455,572)	(-64,131)
Buildings and facilities.....	11,788	11,788	11,788	---	---
FDA Innovation account.....	60,000	70,000	70,000	+10,000	---
Offset of appropriation pursuant to Section 1002 (b)(3)(B) of the 21st Century Cures Act (P.L. 114-255).....	-60,000	-70,000	-70,000	-10,000	---
Spending of FDA innovation account (transfer).....	---	70,000	70,000	+70,000	---
Total, FDA (w/user fees, including proposals).....	(5,208,852)	(5,728,555)	(5,664,424)	(+455,572)	(-64,131)
Total, FDA (w/enacted user fees only).....	(5,208,852)	(5,728,555)	(5,664,424)	(+455,572)	(-64,131)
Total, FDA (excluding user fees).....	2,811,866	3,183,708	3,119,577	+307,711	-64,131

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(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
INDEPENDENT AGENCIES					
Commodity Futures Trading Commission 1/.....	249,000	250,000	255,000	+6,000	+5,000
CFTC Fee Spending (legislative proposal).....	---	31,500	---	---	-31,500
Farm Credit Administration (limitation on administrative expenses).....	(70,600)	(74,600)	(74,600)	(+4,000)	---
Total, Title VI, Related Agencies and Food and Drug Administration.....	3,060,866	3,465,208	3,374,577	+313,711	-90,631
TITLE VII - GENERAL PROVISIONS					
Limit Dam Rehab (Sec. 714(1)).....	---	-46,150	---	---	+46,150
Limit Environmental Quality Incentives Program (Sec. 714(2)).....	---	-136,260	---	---	+136,260
Limit Biomass Crop Assistance Program (Sec. 714(3)).....	-21,000	---	---	+21,000	---
Limit Ag Management Assistance (Sec. 714 (5)).....	---	-9,380	---	---	+9,380
Food for Progress (Sec. 743).....	---	---	35,000	+35,000	+35,000
Limit fruit and vegetable program (Sec. 715).....	---	-125,000	---	---	+125,000
Section 32 (Sec. 715) (rescission).....	---	-342,000	---	---	+342,000
WIC (rescission) (Sec. 745).....	-800,000	-215,000	-300,000	+500,000	-85,000
Limit CSP (sec. 730).....	---	-27,000	---	---	+27,000
Rural Water Waste Disposal (sec. 726).....	---	-51,000	---	---	+51,000
RCFP (Sec. 727).....	---	-3,046	---	---	+3,046
FAS S&E (Sec. 729).....	---	-18,000	---	---	+18,000
Water and Waste.....	500,000	---	---	-500,000	---
Citrus Greening (Sec. 757).....	7,500	---	8,500	+1,000	+8,500
Healthy Food Financing Initiative.....	1,000	---	2,000	+1,000	+2,000

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(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
Hardwood Trees (Reforestation Pilot Program).....	600	---	---	-600	---
Water Bank program	4,000	---	---	-4,000	---
Geographic Disadvantaged farmers	1,996	---	---	-1,996	---
Food for Peace.....	116,000	---	---	-116,000	---
Rural Energy Savings Program.....	8,000	---	---	-8,000	---
Maturing mortgage pilot.....	1,000	---	---	-1,000	---
FSA ARC pilot.....	5,000	---	---	-5,000	---
NIFA Military Veteran Grants.....	5,000	---	5,000	---	+5,000
Conservation Reserve Program Pilot.....	1,000	---	---	-1,000	---
Child Nutrition Training pilot.....	2,000	---	---	-2,000	---
Broadband Pilot.....	600,000	---	550,000	-50,000	+550,000
Opioid Enforcement and Surveillance.....	94,000	---	---	-94,000	---
Electric Loan Refinancing.....	5,000	---	---	-5,000	---
Distance Learning Telemedicine.....	20,000	---	---	-20,000	---
Farm to School.....	5,000	---	---	-5,000	---
NIFA Leasing.....	6,000	---	14,000	+8,000	+14,000
Tree Assistance Program.....	15,000	---	---	-15,000	---
Total, Title VII, General Provisions.....	577,096	-972,836	314,500	-262,596	+1,287,336

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AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
OTHER APPROPRIATIONS					
SUPPLEMENTAL APPROPRIATIONS FOR DISASTER RELIEF REQUIREMENTS, 2017					
Office of the Secretary (emergency).....	2,360,000	---	---	-2,360,000	---
Office of Inspector General (emergency).....	3,000	---	---	-3,000	---
ARS, Buildings and Facilities (emergency).....	22,000	---	---	-22,000	---
Emergency Conservation Program (emergency).....	400,000	---	---	-400,000	---
Watershed and Flood and Prevention Operations (emergency).....	541,000	---	---	-541,000	---
Rural Housing Insurance Fund Program Account (emergency).....	19,000	---	---	-19,000	---
Rural Water and Waste Disposal Program Account (emergency).....	165,000	---	---	-165,000	---
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (emergency).....	14,000	---	---	-14,000	---
Commodity Assistance Program (emergency).....	24,000	---	---	-24,000	---
FDA, Buildings and Facilities (emergency).....	8,000	---	---	-8,000	---
Sec. 20101 (a) LIP (emergency).....	3,000	---	---	-3,000	---
Sec. 20101 (b) ELAP (emergency).....	30,000	---	---	-30,000	---
Sec. 20101 (c) TAP (emergency).....	7,000	---	---	-7,000	---
Total, Supplemental Appropriations for Disaster Relief Requirements (P.L. 115-56).....	3,596,000	---	---	-3,596,000	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
(Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
ADDITIONAL SUPPLEMENTAL APPROPRIATIONS FOR DISASTER RELIEF REQUIREMENTS ACT, 2017					
Supplemental Nutritional Assistance Program (emergency)	1,270,000	---	---	-1,270,000	---
Total, Additional Supplemental Appropriations for Disaster Relief Requirements Act (P.L. 115-72)	1,270,000	---	---	-1,270,000	---
BIPARTISAN BUDGET ACT(P.L. 115-123)					
ACI Payment Limitations (emergency)	2,000	---	---	-2,000	---
Total, Bipartisan Budget Act (P.L. 115-123)	2,000	---	---	-2,000	---
Total, OTHER APPROPRIATIONS (emergency)	4,868,000	---	---	-4,868,000	---
Grand total	151,347,985	139,249,503	145,453,043	-5,894,942	+6,203,540
Appropriations fiscal year 2018	(147,279,985)	(140,031,503)	(145,803,043)	(-1,476,942)	(+5,771,540)
Disaster relief	---	---	---	---	---
Rescissions	(-800,000)	(-782,000)	(-350,000)	(+450,000)	(+432,000)
Advance appropriations, FY 2019	---	---	---	---	---
(By transfer)	(794,689)	(766,273)	(798,217)	(+3,528)	(+31,944)
(Loan authorization)	(45,606,833)	(42,790,817)	(45,780,519)	(+173,686)	(+2,989,702)
(Limitation on administrative expenses)	(191,827)	(220,582)	(195,827)	(+4,000)	(-24,755)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2018
 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2019
 (Amounts in thousands)

	FY 2018 Enacted	FY 2019 Request	Bill	Bill vs. Enacted	Bill vs. Request
=====					
RECAPITULATION					
=====					
Title I - Agricultural programs.....	6,966,837	6,126,941	7,078,542	+111,705	+951,601
Mandatory.....	(1,344,000)	(1,374,000)	(1,374,000)	(+30,000)	---
Discretionary.....	(5,622,837)	(4,752,941)	(5,704,542)	(+81,705)	(+951,601)
Title II - Farm Production and Conservation Programs..	25,933,930	26,295,404	26,857,819	+923,889	+562,415
Mandatory.....	(23,198,347)	(24,097,500)	(24,097,500)	(+899,153)	---
Discretionary.....	(2,735,583)	(2,197,904)	(2,760,319)	(+24,736)	(+562,415)
Title III - Rural development (discretionary).....	3,000,881	1,797,511	3,028,514	+27,633	+1,231,003
Title IV - Domestic food programs	104,919,418	102,332,325	102,873,334	-2,046,084	+541,009
Mandatory.....	(98,209,638)	(96,342,259)	(96,344,786)	(-1,864,852)	(+2,527)
Discretionary.....	(6,709,780)	(5,990,066)	(6,528,548)	(-181,232)	(+538,482)
Title V - Foreign assistance and related programs (discretionary).....	2,020,957	204,950	1,925,757	-95,200	+1,720,807
Title VI - Related agencies and Food and Drug Administration (discretionary).....	3,060,866	3,465,208	3,374,577	+313,711	-90,631
Title VII - General provisions (discretionary).....	577,096	-972,836	314,500	-262,596	+1,287,336
=====					
Total	146,479,985	139,249,503	145,453,043	-1,026,942	+6,203,540
=====					

MINORITY VIEWS OF THE HON. NITA LOWEY AND THE
HON. SANFORD D. BISHOP, JR.

The FY2019 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations bill would provide a slight increase of \$14 million above the 2018 enacted level. With this funding level, the bill addresses many of our priorities, such as domestic nutrition and rural development programs. We also appreciate the committee's adoption of Rep. Lee's amendment to increase funding for the Healthy Food Financing Initiative by \$1 million.

However, we are very disappointed that the bill is \$216 million short of the 2018 level in the Food for Peace program and that there was no increase for the McGovern-Dole International Food for Education and Child Nutrition Program.

Another deep disappointment is the tiny increase for the Commodity Futures Trading Commission (CFTC) after the Commission's budget was held flat for three years and then cut in 2018. This is why Mr. Bishop offered an amendment in full committee to increase the agency's funding level to \$267 million. We regret that the amendment was not adopted.

The CFTC needs more money. A recent article in the *Wall Street Journal* described how CFTC is seeking to borrow economists and cyber-security experts from other agencies and how it cannot synchronize its market data with other federal regulators because it cannot afford the necessary technology. This is absurd.

We also regret the Committee's failure to adopt Rep. Roybal-Allard's amendment to prohibit the inspection of horses for slaughter for human food. There are far more humane ways to deal with unwanted horses, and the past experience in this country of slaughtering horses for human food was, frankly, a disaster.

We are puzzled as to why the Committee rejected Rep. DeLauro's amendment to strike new language in the bill that would permanently give the Department of Agriculture regulatory responsibility over "cultured meat," which is produced from the cells of animals, rather than from slaughter. There is no need to make this decision now as such products are not commercially available. Determining how and by whom such a product may be regulated is far beyond the scope of a single appropriations bill.

We appreciate the WIC funding in the bill, which we believe is sufficient to meet the need in 2019, based on current estimates. We do want to note that it would be wise, in the 2019 funding bill, to increase the reserve fund, which is currently at \$150 million, while monthly expenditures in the program are expected to average more than \$450 million in 2019. Even modest changes in participation or food costs could quickly exhaust the reserve fund and leave low-income mothers and children without access to the nutrition they need.

As the legislative process continues, we will do our best to address the concerns described here. However, Democrats' largest concern is the entire budget outlook and how other government agencies will be shortchanged.

The Bipartisan Budget Act enacted earlier this year provided relief from unworkable discretionary spending caps. The agreement was supposed to provide the country with stability following a year of shutdowns, last-minute veto threats, and general uncertainty in government. That stability lasted long enough for Congress to pass a bipartisan Omnibus appropriations bill for FY 2018 and then Republican chaos reigned again. The President threatened to veto the bill, unhappy with Congress' large investments in programs to help low- and middle-income Americans and rejection of his campaign-promised border wall.

Even after the President backed off his threat and signed the bill, the Administration and Republican leadership in Congress, many of whom voted for the Bipartisan Budget Act and the Omnibus, have continued to attempt to undo those bipartisan agreements. Now, the majority is seeking to pass a rescissions bill to undo funding and mollify an angry President. We have been told by OMB Director Mick Mulvaney that this is the first of many rescission packages meant to bring spending in line with the President's priorities, ignoring Congressional action that dismissed the President's FY 2017 and FY 2018 draconian budget requests.

In addition to the unacceptable rescissions proposals, the majority's lack of transparency with regards to how it will allocate the FY 2019 discretionary budget also endangers future bipartisan compromise. The majority has abandoned longstanding committee practice to provide the Members and the public with a budget blueprint for domestic spending, known as 302(b) allocations. Members are forced to vote on bills without the full picture on the impact of each bill on other bills, like those that invest in education, job training and creation, health care, consumer protection, and other top priorities for American families. Democrats can only be left to assume that the majority is siphoning money from bills at the end of the process that are important to economic growth and the safety, security, and well-being of our families.

NITA M. LOWEY.
SANFORD D. BISHOP, JR.

ADDITIONAL VIEWS OF THE HON. NITA M. LOWEY

I am very concerned by the inclusion of the Cole-Bishop amendment, which would significantly weaken FDA's authority to regulate tobacco products. The Tobacco Control Act (TCA), which passed Congress with broad bipartisan support, provided FDA with the authority to review new tobacco products. Since enactment, tobacco products including e-cigarettes and flavored cigars have made significant gains in popularity, particularly among youth.

According to the CDC, e-cigarette use among teens has risen tenfold in the past decade, rising to 16% of teens in 2015, an estimated three million American teens. E-cigarettes are now more popular among teens than traditional cigarettes. In addition, high school boys now smoke cigars at a higher rate than cigarettes. Every day, about 2,700 kids will try a cigar for the first time. Cigars have serious health consequences including cancer of the mouth, throat, and lung. Congress should do all it can to prevent youth access and ensure FDA has the authority to regulate tobacco products, not create additional loopholes for tobacco companies to exploit to get Americans hooked.

That is why I am particularly troubled by the Cole-Bishop amendment, which would remove FDA authority over so-called premium cigars, including machine made cigars sold for as little as \$1.00; grandfather in many of the candy-flavored cigars and cigarillos that came onto the market after flavored cigarettes were banned in 2009; make it easier—not harder—for e-cigarettes including JUUL to make it to market without premarket review; create a new, artificial deadline for review which could jeopardize FDA's legal and regulatory cases against the tobacco industry; and impose weaker warning labels on tobacco products rather than the carefully studied warning labels FDA has approved and will enforce later this year.

And while I appreciate the effort to reduce youth access, in particular ensuring that e-cigarettes would be prohibited in child care centers, schools, and other smoke free locations that receive federal funds, many actions intended to address youth access in this amendment are duplicative of existing FDA actions and enforcement authorities. In short, the benefits are vastly outweighed by the harm.

This amendment provides false comfort to those concerned about youth access. It is a major re-write of the Tobacco Control Act, presented before the Committee without the consideration of the authorizers, the public health community, or thorough discussions with FDA. An new actions on youth access should be in addition to, not in place of, current FDA review standards.

Major public health groups, including the American Cancer Society, American Thoracic Society, American Lung Association, American Medical Association, American Academy of Pediatrics, and the

Campaign for Tobacco Free Kids have opposed any effort to weaken or delay FDA's authority to regulate all tobacco products, including cigars and e-cigarettes.

The American people trust FDA to evaluate the data and make unbiased decisions about product safety. The Fiscal Year 2019 Agriculture Appropriations bill should not politicize the science or take aim at the FDA's ability to regulate tobacco products under the TCA.

NITA M. LOWEY.

