

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

Federal Funds

General and special funds:

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, **[\$5,124,000] \$5,127,000**: *Provided*, That not to exceed \$11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration, **[\$669,000] \$676,000**.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded by this Act, including programs involving intergovernmental affairs and liaison within the executive branch, **[\$3,852,000] \$3,846,000**: *Provided*, That these funds may be transferred to agencies of the Department of Agriculture funded by this Act to maintain personnel at the agency level: *Provided further*, That no funds made available by this appropriation may be obligated after 30 days from the date of enactment of this Act, unless the Secretary has notified the Committees on Appropriations of both Houses of Congress on the allocation of these funds by USDA agency: *Provided further*, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, **[\$592,000] \$598,000**.

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Under Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service; the Agricultural Marketing Service; and the Grain Inspection, Packers and Stockyards Administration; **[\$721,000] \$724,000**.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, **[\$595,000] \$602,000**.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Farm Service Agency, the Foreign Agricultural Service, the Risk Management Agency, and the Commodity Credit Corporation, **[\$631,000] \$635,000**.

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the

laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, **[\$741,000] \$744,000**.

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, the Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, **[\$632,000] \$635,000**.

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

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service, **[\$595,000] \$599,000**.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

For necessary salaries and expenses of the Office of the Assistant Secretary for Civil Rights, **[\$818,000] \$821,000**. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

Program and Financing (in millions of dollars)

Identification code 12-9913-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Office of the Secretary	3	4	4
00.02 Under/Assistant Secretaries	8	9	9
00.03 Trade Negotiations and Biotechnology Resources	2	2	2
00.04 Info Share (CCE/HS)	10	.....	.....
09.01 Homeland Security Reimbursable	13	.....	.....
10.00 Total new obligations	34	15	15
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	3	3
22.00 New budget authority (gross)	26	15	15
22.10 Resources available from recoveries of prior year obligations	3	.....	.....
23.90 Total budgetary resources available for obligation	39	18	18
23.95 Total new obligations	-34	-15	-15
23.98 Unobligated balance expiring or withdrawn	-2	.....	.....
24.40 Unobligated balance carried forward, end of year	3	3	3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	15	15	15
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	14	.....	.....
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-3	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	11	.....	.....
70.00 Total new budget authority (gross)	26	15	15
Change in obligated balances:			
72.40 Obligated balance, start of year	29	14	14
73.10 Total new obligations	34	15	15
73.20 Total outlays (gross)	-49	-15	-15
73.45 Recoveries of prior year obligations	-3	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	3	.....	.....
74.40 Obligated balance, end of year	14	14	14
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	23	12	12
86.93 Outlays from discretionary balances	26	3	3
87.00 Total outlays (gross)	49	15	15

General and special funds—ContinuedOFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS—
Continued**Program and Financing (in millions of dollars)—Continued**

Identification code 12-9913-0-1-352	2004 actual	2005 est.	2006 est.
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	−14	.....	.....
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	3	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	15	15	15
90.00 Outlays	35	15	15

The Office of the Secretary covers the overall planning, coordination and administration of the Department's programs. This includes the Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries, and their immediate staffs, who provide top policy guidance for the Department; maintain relationships with agricultural organizations and others in the development of farm programs; and provide liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

Funds are also proposed for the Office of the Secretary's account for negotiating and monitoring trade agreements; and for technical trade support in the areas of biotechnology, sanitary and phytosanitary issues.

Object Classification (in millions of dollars)

Identification code 12-9913-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent			
11.1 Personnel compensation: Full-time permanent	9	9	9
12.1 Civilian personnel benefits			
12.1 Civilian personnel benefits	2	2	2
25.2 Other services			
25.2 Other services	10	4	4
99.0 Direct obligations			
99.0 Direct obligations	21	15	15
99.0 Reimbursable obligations			
99.0 Reimbursable obligations	13	.....	.....
99.9 Total new obligations			
99.9 Total new obligations	34	15	15

Personnel Summary

Identification code 12-9913-0-1-352	2004 actual	2005 est.	2006 est.
1001 Total compensable workyears: Civilian full-time equivalent employment	79	87	87

FUND FOR RURAL AMERICA**Program and Financing (in millions of dollars)**

Identification code 12-0012-0-1-999	2004 actual	2005 est.	2006 est.
Change in obligated balances:			
72.40 Obligated balance, start of year			
72.40 Obligated balance, start of year	14	7	.....
73.20 Total outlays (gross)			
73.20 Total outlays (gross)	−7	−7	.....
74.40 Obligated balance, end of year			
74.40 Obligated balance, end of year	7	.....	.....
Outlays (gross), detail:			
86.98 Outlays from mandatory balances			
86.98 Outlays from mandatory balances	7	7	.....
Net budget authority and outlays:			
89.00 Budget authority			
89.00 Budget authority	7	7	.....
90.00 Outlays			
90.00 Outlays	7	7	.....

The Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) initially established the Fund for Rural America to provide support to rural communities across the United States. The 2002 Farm Bill (Farm Security and Rural Investment Act of 2002) repealed the Fund for Rural America.

Trust Funds

GIFTS AND BEQUESTS

Unavailable Receipts (in millions of dollars)

Identification code 12-8203-0-7-352	2004 actual	2005 est.	2006 est.
Receipts:			
02.00 Gifts and bequests, Departmental Administration			
02.00 Gifts and bequests, Departmental Administration	1	1	1
Appropriations:			
05.00 Gifts and bequests	−1	−1	−1
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8203-0-7-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity			
00.01 Direct Program Activity	1	1	1
10.00 Total new obligations (object class 99.5)			
10.00 Total new obligations (object class 99.5)	1	1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			
21.40 Unobligated balance carried forward, start of year	2	3	3
22.00 New budget authority (gross)			
22.00 New budget authority (gross)	1	1	1
23.90 Total budgetary resources available for obligation			
23.90 Total budgetary resources available for obligation	3	4	4
23.95 Total new obligations			
23.95 Total new obligations	−1	−1	−1
24.40 Unobligated balance carried forward, end of year			
24.40 Unobligated balance carried forward, end of year	3	3	3
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	1	1	1
Change in obligated balances:			
73.10 Total new obligations			
73.10 Total new obligations	1	1	1
73.20 Total outlays (gross)			
73.20 Total outlays (gross)	−1	−1	−1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority			
86.97 Outlays from new mandatory authority	1	1	1
Net budget authority and outlays:			
89.00 Budget authority			
89.00 Budget authority	1	1	1
90.00 Outlays			
90.00 Outlays	1	1	1

The Secretary is authorized to accept and administer gifts and bequests of real and personal property to facilitate the work of the Department. Property and the proceeds thereof are used in accordance with the terms of the gift or bequest (7 U.S.C. 2269).

EXECUTIVE OPERATIONS**Federal Funds****General and special funds:**EXECUTIVE OPERATIONS
CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, energy and new uses, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), [\$10,317,000] \$10,539,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, [\$14,331,000] \$14,524,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, [\$8,228,000] \$8,298,000.

HOMELAND SECURITY STAFF

For necessary expenses of the Homeland Security Staff, [\$775,000] \$1,466,000. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)			
Identification code 12-0705-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Chief Economist	11	10	11
00.03 National Appeals Division	14	14	14
00.04 Budget and Program Analysis	7	8	8
00.05 Homeland Security Staff	1	1	1
09.01 Reimbursable program	2	1	1
10.00 Total new obligations	34	34	35
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			2
22.00 New budget authority (gross)	35	36	38
23.90 Total budgetary resources available for obligation	35	36	40
23.95 Total new obligations	−34	−34	−35
23.98 Unobligated balance expiring or withdrawn	−1		
24.40 Unobligated balance carried forward, end of year	2	5	
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	31	33	35
Mandatory:			
62.00 Transferred from other accounts	2	2	2
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)		1	1
68.10 Change in uncollected customer payments from Federal sources (unexpired)	2		
68.90 Spending authority from offsetting collections (total discretionary)	2	1	1
70.00 Total new budget authority (gross)	35	36	38
Change in obligated balances:			
72.40 Obligated balance, start of year	7	8	6
73.10 Total new obligations	34	34	35
73.20 Total outlays (gross)	−33	−36	−38
74.00 Change in uncollected customer payments from Federal sources (unexpired)	−2		
74.10 Change in uncollected customer payments from Federal sources (expired)	1		
74.40 Obligated balance, end of year	8	6	3
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	32	30	32
86.93 Outlays from discretionary balances	1	4	4
86.97 Outlays from new mandatory authority		2	2
87.00 Total outlays (gross)	33	36	38
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	−1	−1	−1
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	−2		
88.96 Portion of offsetting collections (cash) credited to expired accounts	1		
Net budget authority and outlays:			
89.00 Budget authority	33	35	37
90.00 Outlays	31	35	37

Executive Operations provides support for USDA policy officials and selected Department-wide services.

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

WORKLOAD INDICATORS

	2004 actual	2005 est.	2006 est.
World Agricultural Supply and Demand Estimates Reports issued	12	12	12
Weekly Weather and Crop Bulletin issued	52	52	52

The National Appeals Division conducts administrative hearings and reviews of adverse program decisions made by the Farm Service Agency, the Risk Management Agency, the Natural Resources Conservation Service, and the Rural Development mission area.

The Office of Budget and Program Analysis provides overall direction and administration of the Department's budgetary functions including: development, presentation, and execution of the budget; review of program and legislative proposals for programs and budget implications; and analysis of program issues and alternatives and preparation of summaries of pertinent data to aid Departmental policy officials and agency program managers in the decisionmaking process.

The Homeland Security Staff formulates emergency preparedness policies and objectives for the Department of Agriculture (USDA). The Staff directs and coordinates all of the Department's program activities that support USDA emergency programs and liaison functions with the Congress, the Department of Homeland Security, and other Federal departments and agencies involving homeland security, natural disasters, other emergencies, and agriculture-related international civil emergency planning and related activities.

Object Classification (in millions of dollars)

Identification code 12-0705-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	20	21	21
12.1 Civilian personnel benefits	4	4	4
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
24.0 Printing and reproduction	1	1	1
25.2 Other services	5	4	5
31.0 Equipment	1	1	1
99.0 Direct obligations	33	33	34
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	34	34	35

Personnel Summary

Identification code 12-0705-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	228	270	271
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	4	4	4

OFFICE OF THE CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, **[\$5,742,000]** **\$5,874,000:** *Provided*, That the Chief Financial Officer shall actively market and expand cross-servicing activities of the National Finance Center; *Provided further*, That no funds made available by this appropriation may be obligated for FAIR Act or Circular A-76 activities until the Secretary has submitted to the Committees on Appropriations of both Houses of Congress and the Committee on Government Reform of the House of Representatives a report on the Department's contracting out policies, including agency budgets for contracting out]. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-0014-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct program	6	6	6

General and special funds—Continued

OFFICE OF THE CHIEF FINANCIAL OFFICER—Continued

Program and Financing (in millions of dollars)—Continued

		2004 actual	2005 est.	2006 est.
Identification code 12-0014-0-1-352				
09.01 Reimbursable program	5	5	5	
10.00 Total new obligations	11	11	11	
Budgetary resources available for obligation:				
22.00 New budget authority (gross)	11	11	11	
23.95 Total new obligations	−11	−11	−11	
New budget authority (gross), detail:				
Discretionary:				
40.00 Appropriation	6	6	6	
Spending authority from offsetting collections:				
68.00 Offsetting collections (cash)	5	5		
68.10 Change in uncollected customer payments from Federal sources (unexpired)	5			
68.90 Spending authority from offsetting collections (total discretionary)	5	5	5	
70.00 Total new budget authority (gross)	11	11	11	
Change in obligated balances:				
72.40 Obligated balance, start of year	−6	−6	−6	
73.10 Total new obligations	11	11	11	
73.20 Total outlays (gross)	−11	−11	−11	
73.40 Adjustments in expired accounts (net)	−1			
74.00 Change in uncollected customer payments from Federal sources (unexpired)	−5			
74.10 Change in uncollected customer payments from Federal sources (expired)	6			
74.40 Obligated balance, end of year	−6	−6	−6	
Outlays (gross), detail:				
86.90 Outlays from new discretionary authority	11	11	11	
Offsets:				
Against gross budget authority and outlays:				
88.00 Offsetting collections (cash) from: Federal sources	−7	−5	−5	
Against gross budget authority only:				
88.95 Change in uncollected customer payments from Federal sources (unexpired)	−5			
88.96 Portion of offsetting collections (cash) credited to expired accounts	7			
Net budget authority and outlays:				
89.00 Budget authority	6	6	6	
90.00 Outlays	4	6	6	

The Office of the Chief Financial Officer (OCFO) supports the Chief Financial Officer in carrying out the dual roles of chief financial management policy officer and chief financial management advisor to the Secretary and mission area heads. OCFO provides leadership for all financial management, accounting, travel, Federal assistance, and performance measurement activities within the Department. It is responsible for the management and operation of the National Finance Center and the Departmental Working Capital Fund, and provides budget, accounting, and fiscal services to the Office of the Secretary, Departmental Staff Offices, Office of Communications, Office of the Chief Information Officer and Executive Operations.

PERFORMANCE MEASURES

	2004 actual	2005 est.	2006 est.
Achieve an unqualified opinion on the USDA financial statements	Unqualified	Unqualified	Unqualified
Anti-deficiency violations	No	No	No

Object Classification (in millions of dollars)

		2004 actual	2005 est.	2006 est.
Identification code 12-0014-0-1-352				
11.1 Direct obligations:				

12.1 Civilian personnel benefits	1	1	1
25.2 Other services	1		
99.0 Direct obligations	5	5	5
99.0 Reimbursable obligations	5	5	5
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	11	11	11

Personnel Summary

Identification code 12-0014-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	33	48	48
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	15	15	15

OFFICE OF THE CHIEF INFORMATION OFFICER

For necessary expenses of the Office of the Chief Information Officer, **[\$16,595,000]** **\$16,726,000**. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-0013-0-1-352	2004 actual	2005 est.	2006 est.
00.01 Office of the Chief Information Officer	15	16	17
09.01 Reimbursable program	41	39	38
10.00 Total new obligations	56	55	55

Budgetary resources available for obligation:

22.00 New budget authority (gross)	56	55	55
23.95 Total new obligations	−56	−55	−55

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	15	16	17
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	12	39	38
68.10 Change in uncollected customer payments from Federal sources (unexpired)	29		
68.90 Spending authority from offsetting collections (total discretionary)	41	39	38
70.00 Total new budget authority (gross)	56	55	55

Change in obligated balances:

72.40 Obligated balance, start of year	−3	−7	−7
73.10 Total new obligations	56	55	55
73.20 Total outlays (gross)	−47	−55	−55
73.40 Adjustments in expired accounts (net)	1		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	−29		
74.10 Change in uncollected customer payments from Federal sources (expired)	15		
74.40 Obligated balance, end of year	−7	−7	−7

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	27	55	55
86.93 Outlays from discretionary balances	20		
87.00 Total outlays (gross)	47	55	55

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	−25	−39	−38
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	−29		
88.96 Portion of offsetting collections (cash) credited to expired accounts	13		

Net budget authority and outlays:

89.00 Budget authority	15	16	17
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90.00	Outlays	22	16	17
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The Clinger-Cohen Act of 1996 required the establishment of a Chief Information Officer (CIO) for all major Federal agencies. The Act requires USDA to maximize the value of information technology acquisitions to improve the efficiency and effectiveness of USDA programs. To meet the intent of the law and to provide a Departmental focus for information resources management issues, Secretary's Memorandum 1030-30, dated August 8, 1996, established the Office of the Chief Information Officer (OCIO).

The CIO serves as the primary advisor to the Secretary and Mission Area Heads in these areas. OCIO provides leadership for the Department's information and information technology (IT) management activities in support of USDA's program delivery.

OCIO is leading USDA's E-Government efforts, in coordination with the Presidential E-Government Initiatives, to transform the Department's delivery of information, programs, and services using E-Government channels. OCIO is designing the Department's Enterprise Architecture to efficiently support USDA's move towards E-Government by leveraging economies-of-scale to acquire and share data and supporting IT applications and infrastructure. OCIO is strengthening USDA's Computer Security Program to mitigate threats to USDA's information and IT assets and support the Department's Homeland Security efforts. OCIO continues to facilitate the USDA IT Capital Planning and Control investment review process by providing guidance and support to the Department's Executive IT Investment Review Board, which approves all major technology investments to ensure they economically and effectively support program delivery.

Funded through the USDA Working Capital Fund, OCIO provides automated data processing (ADP) and wide-area telecommunications services to all USDA agencies through the National Information Technology Center and the Telecommunications Services and Operations organization, with locations in Ft. Collins, Colorado, Kansas City, Missouri, and Washington, D.C.

OCIO also has direct management and service responsibility for the IT component of the Service Center Agencies' computing and telecommunications infrastructure. This includes the implementation of a common technology infrastructure to replace the outdated and stove-piped systems supporting the Farm Service Agency, the Natural Resources Conservation Service, and Rural Development.

PERFORMANCE MEASURES

	FY 2004	FY 2005	FY 2006
Percent of all paper transactions identified as practicable for conversion to electronic access that will be completed by milestones	65%	85%	100%
Percent of USDA IT Systems that are certified, accredited, or otherwise authorized as being properly secured	20%	100%	100%
Percentage of USDA IT projects that are within costs/schedule/ performance	Est. Baseline	100%	100%

Object Classification (in millions of dollars)

Identification code 12-0013-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	7	7	7
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	3	4	4
25.3 Other purchases of goods and services from Government accounts	3	3	3
26.0 Supplies and materials	1	1	1
99.0 Direct obligations	15	16	16
99.0 Reimbursable obligations	40	39	38
99.5 Below reporting threshold	1	.....	1
99.9 Total new obligations	56	55	55

Personnel Summary

Identification code 12-0013-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	66	72	72
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	17	11	11

COMMON COMPUTING ENVIRONMENT

For necessary expenses to acquire a Common Computing Environment for the Natural Resources Conservation Service, the Farm and Foreign Agricultural Service, and Rural Development mission areas for information technology, systems, and services, [\$125,585,000] \$142,465,000, to remain available until expended, for the capital asset acquisition of shared information technology systems, including services as authorized by 7 U.S.C. 6915–16 and 40 U.S.C. 1421–28: *Provided*, That obligation of these funds shall be consistent with the Department of Agriculture Service Center Modernization Plan of the county-based agencies, and shall be with the concurrence of the Department's Chief Information Officer. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-0113-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	144	125	142
09.01 Reimbursable program	69	31	15
10.00 Total new obligations	213	156	157
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	37	13	13
22.00 New budget authority (gross)	189	156	157
23.90 Total budgetary resources available for obligation	226	169	170
23.95 Total new obligations	–213	–156	–157
24.40 Unobligated balance carried forward, end of year	13	13	13
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	119	126	142
40.35 Appropriation permanently reduced	–1	–1	.....
43.00 Appropriation (total discretionary)	118	125	142
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	58	31	15
68.10 Change in uncollected customer payments from Federal sources (unexpired)	13	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	71	31	15
70.00 Total new budget authority (gross)	189	156	157
Change in obligated balances:			
72.40 Obligated balance, start of year	62	68	68
73.10 Total new obligations	213	156	157
73.20 Total outlays (gross)	–194	–156	–157
74.00 Change in uncollected customer payments from Federal sources (unexpired)	–13	.....	.....
74.40 Obligated balance, end of year	68	68	68
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	144	156	157
86.93 Outlays from discretionary balances	50	.....	.....
87.00 Total outlays (gross)	194	156	157
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	–58	–31	–15
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	–13	.....	.....

General and special funds—Continued

COMMON COMPUTING ENVIRONMENT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-0113-0-1-352	2004 actual	2005 est.	2006 est.
Net budget authority and outlays:			
89.00 Budget authority	118	125	142
90.00 Outlays	136	125	142

The Department of Agriculture Reorganization Act of 1994 requires the Secretary of Agriculture to procure and use computer systems in a manner that enhances efficiency, productivity, and client services, and that promotes computer information sharing among agencies of the Department. The USDA Service Center Modernization Initiative (SCMI) has been working to restructure county field offices, modernize and integrate business approaches and replace the current stove-piped and aging information systems with a modern common computing environment (CCE) that optimizes information sharing, customer service, and staff efficiencies. The funds requested under this account would fund essential capital investments needed to implement the modernization plan. Economies of scale in the procurement and management of information technology systems present compelling arguments for coordinating information technology investments. Without these investments, the Department's ability to provide timely and efficient services will continue to erode and the costs of maintaining the separate, aging systems will increase. A reorganization that combines the information technology (IT) staffs of the SCA into one IT organization with OCIO went into effect on November 28, 2004. The new organization, the Information Technology Services (ITS), replaces a network of cross-agency teams used to co-ordinate IT infrastructure investment within the SCA and allows for unified management of the IT infrastructure. The ITS delivers the following classes of technology services: Acquisition and Asset Management, Application Development and Deployment, Customer Support and End User Computing, Data Utility, Hosting, Security, Telecommunications and Web Services. Service Level Agreements (SLAs) that specify performance metrics will be negotiated with the SCA for each class of service.

Object Classification (in millions of dollars)

Identification code 12-0113-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
25.2 Other services	85	17	34
25.3 Other purchases of goods and services from Government accounts	49	41	41
26.0 Supplies and materials	3	20	20
31.0 Equipment	7	47	47
99.0 Direct obligations	144	125	142
99.0 Reimbursable obligations	68	31	15
99.5 Below reporting threshold	1	.....	.....
99.9 Total new obligations	213	156	157

Intragovernmental funds:

WORKING CAPITAL FUND

For the acquisition of disaster recovery and continuity of operations technology of the National Finance Center's data, \$12,850,000, to remain available until expended.] (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)			
Identification code 12-4609-0-4-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
Operating expenses:			
09.01 Administration	37	26	27
09.02 Communications	12	5	5
09.03 Finance and management	192	175	200
09.04 Information technology	88	258	272
09.05 Executive secretariat	3	3	3
09.06 Corporate systems	66	74	76
09.09 Subtotal, operating expenses	398	541	583
09.12 Finance and management	3	19	4
09.13 Information technology	9	11	7
09.15 Corporate systems	14	21	12
09.19 Subtotal, purchase of equipment	26	51	23
10.00 Total new obligations	424	592	606
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	82	107	69
22.00 New budget authority (gross)	446	554	583
22.10 Resources available from recoveries of prior year obligations	1	.....	.....
22.22 Unobligated balance transferred from other accounts	1	.....	.....
23.90 Total budgetary resources available for obligation	530	661	652
23.95 Total new obligations	−424	−592	−606
24.40 Unobligated balance carried forward, end of year	107	69	46
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation .....	.....	13	.....
42.00 Transferred from other accounts	8	.....	.....
43.00 Appropriation (total discretionary)	8	13	.....
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	383	541	583
68.10 Change in uncollected customer payments from Federal sources (unexpired)	55	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	438	541	583
70.00 Total new budget authority (gross)	446	554	583
Change in obligated balances:			
72.40 Obligated balance, start of year	4	2	57
73.10 Total new obligations	424	592	606
73.20 Total outlays (gross)	−368	−537	−577
73.45 Recoveries of prior year obligations	−1	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	−55	.....	.....
74.40 Obligated balance, end of year	2	57	86
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	324	481	504
86.93 Outlays from discretionary balances	44	56	73
87.00 Total outlays (gross)	368	537	577
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	−379	−537	−579
88.40 Non-Federal sources	−4	−4	−4
88.90 Total, offsetting collections (cash)	−383	−541	−583
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	−55	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	8	13	.....
90.00 Outlays	−14	−4	−6

This fund finances by advances or reimbursements certain central services in the Department of Agriculture, including duplicating and other visual information services, art and graphics, video services, supply, centralized accounting sys-

tems, centralized automated data processing systems for payroll, personnel, and related services, voucher payments services, and ADP systems. The National Finance Center's expenses are also funded through this fund. The capital consists of \$400 thousand appropriated (7 U.S.C. 2235), and subsequent appropriations of \$32 million as of September 30, 2004. Earnings are kept at a low level through adjustments in rates charged for services to maintain as nearly as possible the nonprofit nature of the fund.

Object Classification (in millions of dollars)

Identification code 12-4609-0-4-352	2004 actual	2005 est.	2006 est.
Personnel compensation:			
11.1 Full-time permanent	123	153	172
11.3 Other than full-time permanent	2	2	2
11.5 Other personnel compensation	4	4	4
11.9 Total personnel compensation	129	159	178
12.1 Civilian personnel benefits	30	40	47
21.0 Travel and transportation of persons	2	4	4
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	6	6	5
23.2 Rental payments to others	2	2	2
23.3 Communications, utilities, and miscellaneous charges	36	81	69
24.0 Printing and reproduction	1	1	1
25.2 Other services	172	233	257
26.0 Supplies and materials	9	9	12
31.0 Equipment	36	56	30
99.9 Total new obligations	424	592	606

Personnel Summary

Identification code 12-4609-0-4-352	2004 actual	2005 est.	2006 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	1,990	2,956	2,980

OFFICE OF CIVIL RIGHTS

Federal Funds

General and special funds:

OFFICE OF CIVIL RIGHTS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of Civil Rights, [\$19,889,000] \$20,109,000. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-3800-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Office of Civil Rights	17	20	20
09.01 Reimbursable program	4	5	5
10.00 Total new obligations	21	25	25
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	24	25	25
23.95 Total new obligations	-21	-25	-25
23.98 Unobligated balance expiring or withdrawn	-3	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	17	20	20
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	1	5	5
68.10 Change in uncollected customer payments from Federal sources (unexpired)	6	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	7	5	5
70.00 Total new budget authority (gross)	24	25	25

Change in obligated balances:			
72.40 Obligated balance, start of year .....	.....	-3	-3
73.10 Total new obligations	21	25	25
73.20 Total outlays (gross)	-18	-25	-25
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-6	.....	.....
74.40 Obligated balance, end of year	-3	-3	-3

Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	18	25	25

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-5	-5
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-6	.....	.....

Net budget authority and outlays:

89.00 Budget authority	17	20	20
90.00 Outlays	17	20	20

The Office of Civil Rights (CR) provides overall leadership responsibility for all Department-wide civil rights activities including employment opportunity and program non-discrimination policy development, analysis, coordination, and compliance. CR is responsible for providing leadership in the implementation of best practices that will create an environment where diversity is valued as a source of strength. CR has the responsibility for monitoring program activities to ensure that all USDA programs are delivered in a non-discriminatory manner.

Object Classification (in millions of dollars)

Identification code 12-3800-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	10	14	15
12.1 Civilian personnel benefits	3	3	3
23.3 Communications, utilities, and miscellaneous charges	1	.....	.....
25.2 Other services	1	1	1
25.3 Other purchases of goods and services from Government accounts	1	.....	1
99.0 Direct obligations	16	18	20
99.0 Reimbursable obligations	4	5	5
99.5 Below reporting threshold	1	2	.....
99.9 Total new obligations	21	25	25

Personnel Summary

Identification code 12-3800-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	140	181	181
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	8	10	10

DEPARTMENTAL ADMINISTRATION

Federal Funds

General and special funds:

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, [\$22,626,000] \$23,103,000, to provide for necessary expenses for management support services to offices of the Department and for general administration, security, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department: *Provided*, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required

General and special funds—ContinuedDEPARTMENTAL ADMINISTRATION—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continuedby 5 U.S.C. 551–558. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.*)

Program and Financing (in millions of dollars)			
Identification code 12-0120-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.08 Direct program	23	22	23
09.01 Reimbursable program	14	22	17
10.00 Total new obligations	37	44	40
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	37	44	40
23.95 Total new obligations	–37	–44	–40
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	23	22	23
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	3	22	17
68.10 Change in uncollected customer payments from Federal sources (unexpired)	11	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	14	22	17
70.00 Total new budget authority (gross)	37	44	40
Change in obligated balances:			
72.40 Obligated balance, start of year	–5	–13	–11
73.10 Total new obligations	37	44	40
73.20 Total outlays (gross)	–40	–42	–40
73.40 Adjustments in expired accounts (net)	–1	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	–11	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired)	7	.....	.....
74.40 Obligated balance, end of year	–13	–11	–11
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	32	42	38
86.93 Outlays from discretionary balances	8	.....	2
87.00 Total outlays (gross)	40	42	40
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	–9	–22	–17
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	–11	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts	6	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	23	22	23
90.00 Outlays	31	20	23

Departmental Administration is comprised of activities that provide staff support to top policy officials and overall direction and coordination of the Department. These activities include Department-wide programs for human resource management, ethics, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, participation of small and disadvantaged businesses, emergency preparedness, and the regulatory hearing and administrative proceedings conducted by the Administrative Law Judges, Judicial Officer, and Board of Contract Appeals.

Departmental Administration is also responsible for representing USDA in the development of Government-wide policies and initiatives; analyzing the impact of Government-wide trends and developing appropriate USDA principles, policies, and standards. In addition, Departmental Administration en-

gages in strategic planning and evaluating programs to ensure USDA-wide compliance with applicable laws, rules, and regulations pertaining to administrative matters for the Secretary and general officers of the Department.

Object Classification (in millions of dollars)

Identification code 12-0120-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	14	16	17
12.1 Civilian personnel benefits	3	3	4
23.3 Communications, utilities, and miscellaneous charges	1	.....	.....
25.2 Other services	1	1	1
25.3 Other purchases of goods and services from Government accounts	2	1	1
26.0 Supplies and materials	1	.....	.....
99.0 Direct obligations	22	21	23
99.0 Reimbursable obligations	14	21	16
99.5 Below reporting threshold	1	2	1
99.9 Total new obligations	37	44	40

Personnel Summary

Identification code 12-0120-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	186	225	225
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	51	67	67

HAZARDOUS MATERIALS MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), [\$15,532,000] \$15,644,000, to remain available until expended: *Provided*, That appropriations and funds available herein to the Department for Hazardous Materials Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands. (42 U.S.C. 6961, et seq., 42 U.S.C. 9601, et seq.; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.*)

Program and Financing (in millions of dollars)

Identification code 12-0500-0-1-304	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct program	17	15	16
10.00 Total new obligations (object class 25.2)	17	15	16
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	2	2
22.00 New budget authority (gross)	16	15	16
23.90 Total budgetary resources available for obligation	19	17	18
23.95 Total new obligations	–17	–15	–16
24.40 Unobligated balance carried forward, end of year	2	2	2
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	16	15	16
Change in obligated balances:			
72.40 Obligated balance, start of year	15	18	17
73.10 Total new obligations	17	15	16
73.20 Total outlays (gross)	–15	–16	–18
74.40 Obligated balance, end of year	18	17	15
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	14	14	14

86.93	Outlays from discretionary balances	1	2	4
87.00	Total outlays (gross)	15	16	18
Net budget authority and outlays:				
89.00	Budget authority	16	15	16
90.00	Outlays	15	16	18

Under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA), the Department has the responsibility to meet the same standards for environmental cleanup and regulatory compliance regarding hazardous wastes and hazardous substances as private businesses. With substantial commitments under these Acts, a central fund has been established so that resources may be allocated to the Department's agencies. Allocations are made according to objective criteria.

Personnel Summary

Identification code 12-0500-0-1-304	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	7	7	7

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS (INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92-313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for alterations and other actions needed for the Department and its agencies to consolidate unneeded space into configurations suitable for release to the Administrator of General Services, and for the operation, maintenance, improvement, and repair of Agriculture buildings and facilities, and for related costs, [\$163,870,000] to remain available until expended, as follows: for payments to the General Services Administration and the Department of Homeland Security for building security, \$147,734,000, and for buildings operations and maintenance, \$74,190,000: Provided, That [not to exceed 5 percent of] amounts which are made available for space rental and related costs for the Department of Agriculture in this Act may be transferred between such appropriations to cover the costs of additional, new, or replacement space 15 days after notice thereof is transmitted to the Appropriations Committees of both Houses of Congress. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-0117-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Rental payments to GSA: Non-recurring repairs	128	128	148
00.02 Building operations and maintenance	35	36	71
00.04 Strategic space plan	13	.....	3
09.02 Reimbursable program	2	3	3
10.00 Total new obligations	178	167	225
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	44	25	26
22.00 New budget authority (gross)	157	166	225
22.10 Resources available from recoveries of prior year obligations	1	2	2
23.90 Total budgetary resources available for obligation	202	193	253
23.95 Total new obligations	-178	-167	-225
24.40 Unobligated balance carried forward, end of year	25	26	28
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	156	164	222
40.35 Appropriation permanently reduced	-1	-1	.....

43.00	Appropriation (total discretionary)	155	163	222
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	2	3	3
70.00	Total new budget authority (gross)	157	166	225
Change in obligated balances:				
72.40	Obligated balance, start of year	24	19	18
73.10	Total new obligations	178	167	225
73.20	Total outlays (gross)	-181	-166	-227
73.45	Recoveries of prior year obligations	-1	-2	-2
74.40	Obligated balance, end of year	19	18	14
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	157	164	223
86.93	Outlays from discretionary balances	24	2	4
87.00	Total outlays (gross)	181	166	227
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-2	-3	-3
Net budget authority and outlays:				
89.00	Budget authority	155	163	222
90.00	Outlays	179	163	224

This account finances the General Services Administration's fees for rental of space and related services. The appropriation covers all fees for all regular appropriated accounts within the Department of Agriculture with the exception of the Forest Service. This account also finances the operation and maintenance of four buildings in the Headquarters area.

Beginning in 1995, the account included funds for USDA's strategic space plan. Since then, funds were made available for the construction and occupancy of an office facility at the Beltsville Agricultural Research Center and the design and implementation of a long-term program to renovate and modernize the South Building.

Object Classification (in millions of dollars)

Identification code 12-0117-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	7	8	8
12.1 Civilian personnel benefits	1	1	1
23.1 Rental payments to GSA	128	128	148
23.3 Communications, utilities, and miscellaneous charges	6	6	6
25.2 Other services	34	21	59
99.0 Direct obligations	176	164	222
99.0 Reimbursable obligations	2	3	3
99.9 Total new obligations	178	167	225

Personnel Summary

Identification code 12-0117-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	86	95	95

OFFICE OF COMMUNICATIONS

Federal Funds

General and special funds:

OFFICE OF COMMUNICATIONS

For necessary expenses to carry out services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, [\$9,365,000] \$9,509,000: Provided, That not to exceed \$2,000,000 may be used for farmers' bulletins. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

General and special funds—Continued

OFFICE OF COMMUNICATIONS—Continued

Program and Financing (in millions of dollars)

Identification code 12-0150-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Public affairs	9	10	10
09.01 Reimbursable program		1	1
10.00 Total new obligations	9	11	11
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	9	10	11
23.95 Total new obligations	-9	-11	-11
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	9	9	10
68.00 Spending authority from offsetting collections: Offset- ting collections (cash)		1	1
70.00 Total new budget authority (gross)	9	10	11
Change in obligated balances:			
72.40 Obligated balance, start of year			2
73.10 Total new obligations	9	11	11
73.20 Total outlays (gross)	-9	-10	-11
73.40 Adjustments in expired accounts (net)		1	1
74.40 Obligated balance, end of year		2	3
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	9	9	10
86.93 Outlays from discretionary balances		1	1
87.00 Total outlays (gross)	9	10	11
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		-1	-1
Net budget authority and outlays:			
89.00 Budget authority	9	9	10
90.00 Outlays	8	9	10

Public affairs—This office provides general direction, leadership, and coordination of the Department's information program. The major objective is to provide a balanced and useful information program that reports on USDA's research, administrative action, and regulatory activities using all communications media in order to enable the general public and the agricultural industry to have a better understanding of agriculture's services to farmers and to society.

Object Classification (in millions of dollars)

Identification code 12-0150-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	7	7
12.1 Civilian personnel benefits	1	1	1
99.0 Direct obligations	7	8	8
99.0 Reimbursable obligations	1	1	1
99.5 Below reporting threshold	1	2	2
99.9 Total new obligations	9	11	11

Personnel Summary

Identification code 12-0150-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	74	90	90

OFFICE OF THE INSPECTOR GENERAL

Federal Funds

General and special funds:

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General, including employment pursuant to the Inspector General Act of 1978, **[\$78,289,000]** **\$81,045,000**, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, and including not to exceed \$125,000 for certain confidential operational expenses, including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98. (7 U.S.C. 450b, 2201, 2202, 2270; Public Law 100-504; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-0900-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct program		77	78
09.01 Reimbursable program	3	3	3
10.00 Total new obligations	80	81	84
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	4	5
22.00 New budget authority (gross)	81	82	85
23.90 Total budgetary resources available for obligation	84	86	90
23.95 Total new obligations	-80	-81	-84
24.40 Unobligated balance carried forward, end of year	4	5	6
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation		77	78
68.00 Spending authority from offsetting collections: Offset- ting collections (cash)	4	4	4
70.00 Total new budget authority (gross)	81	82	85
Change in obligated balances:			
72.40 Obligated balance, start of year			4
73.10 Total new obligations	80	81	84
73.20 Total outlays (gross)	-76	-82	-85
74.40 Obligated balance, end of year	4	3	2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		73	75
86.93 Outlays from discretionary balances	3	7	7
87.00 Total outlays (gross)	76	82	85
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		-4	-4
Net budget authority and outlays:			
89.00 Budget authority		77	78
90.00 Outlays	70	78	81

The Office keeps the Secretary and Congress informed about fraud, other serious problems, mismanagement, and deficiencies in Department programs and operations, recommends corrective action, and reports on the progress made in correcting the problems. It reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact these laws have on the Department's programs and the prevention and detection of fraud and mismanagement in such programs. The Office provides policy direction and conducts, supervises, and coordinates all audits and investigations. The office supervises and coordinates other activities in the Department and between the Department and other Federal, State and

local government agencies whose purposes are to: (a) promote economy and efficiency; (b) prevent and detect fraud and mismanagement; and (c) identify and prosecute people involved in fraud or mismanagement.

Object Classification (in millions of dollars)

Identification code 12-0900-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	47	49	52
12.1 Civilian personnel benefits	13	13	13
21.0 Travel and transportation of persons	5	5	5
23.3 Communications, utilities, and miscellaneous charges	2	2	2
25.2 Other services	4	4	4
25.3 Other purchases of goods and services from Government accounts	1	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	3	3	3
99.0 Direct obligations	76	78	81
99.0 Reimbursable obligations	3	3	3
99.5 Below reporting threshold	1	.....	.....
99.9 Total new obligations	80	81	84

Personnel Summary

Identification code 12-0900-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	597	721	725

OFFICE OF THE GENERAL COUNSEL

Federal Funds

General and special funds:

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, **[\$35,861,000]** **\$40,263,000.** (7 U.S.C. 2201; 2202, 2214a; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-2300-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct program	35	36	40
09.00 Reimbursable program	1	1	2
10.00 Total new obligations	36	37	42
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	37	37	42
23.95 Total new obligations	-36	-37	-42
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	35	36	40
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	1	2
70.00 Total new budget authority (gross)	37	37	42
Change in obligated balances:			
72.40 Obligated balance, start of year	3	2	2
73.10 Total new obligations	36	37	42
73.20 Total outlays (gross)	-35	-37	-43
74.40 Obligated balance, end of year	2	2	1
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	33	35	40
86.93 Outlays from discretionary balances	2	2	3
87.00 Total outlays (gross)	35	37	43

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-1	-2
Net budget authority and outlays:			
89.00 Budget authority	35	36	40
90.00 Outlays	35	36	41

The Office of the General Counsel of the Department of Agriculture provides all legal advice, counsel, and services to the Secretary and to all agencies, offices, and corporations of the Department on all aspects of their operations. It represents the Department in administrative proceedings; non-litigation debt collection proceedings; state water rights adjudications; proceedings before the Environmental Protection Agency, Federal Maritime Administration, International Trade Commission, and other Federal agencies; and, in conjunction with the Department of Justice, in judicial proceedings and litigation. All attorneys and related support personnel devoted to those efforts are under the supervision of the General Counsel.

Object Classification (in millions of dollars)

Identification code 12-2300-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	26	27	30
12.1 Civilian personnel benefits	7	7	7
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	1	1	1
31.0 Equipment .....	.....	.....	1
99.0 Direct obligations	35	36	40
99.0 Reimbursable obligations	1	1	2
99.9 Total new obligations	36	37	42

Personnel Summary

Identification code 12-2300-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	313	321	332
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	8	9	9

ECONOMIC RESEARCH SERVICE

Federal Funds

General and special funds:

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, **[\$74,768,000]** **\$80,749,000.** (7 U.S.C. 292, 411, 427, 1441a, 1704, 1761-68, 2201, 2202, 2225, 3103, 3291, 3311, 3504; 22 U.S.C. 3101; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-1701-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct program	71	74	81
09.00 Reimbursable program	2	2	2
10.00 Total new obligations	73	76	83
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	73	76	83
23.95 Total new obligations	-73	-76	-83

General and special funds—Continued

ECONOMIC RESEARCH SERVICE—Continued

Program and Financing (in millions of dollars)—Continued			
Identification code 12-1701-0-1-352	2004 actual	2005 est.	2006 est.
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	71	75	81
40.35 Appropriation permanently reduced .....	.....	−1	.....
43.00 Appropriation (total discretionary)	71	74	81
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	2	2
70.00 Total new budget authority (gross)	73	76	83
Change in obligated balances:			
72.40 Obligated balance, start of year	23	29	30
73.10 Total new obligations	73	76	83
73.20 Total outlays (gross)	−68	−75	−82
73.40 Adjustments in expired accounts (net)	1	.....	.....
74.40 Obligated balance, end of year	29	30	31
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	56	66	72
86.93 Outlays from discretionary balances	12	9	10
87.00 Total outlays (gross)	68	75	82
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	−2	−2	−2
Net budget authority and outlays:			
89.00 Budget authority	71	74	81
90.00 Outlays	66	73	80

The Economic Research Service provides economic and other social science research and analysis for public and private decisions on agriculture, food, natural resources, and rural America.

Miscellaneous funds received from States, local organizations, and others are available for support of economic research and analysis (7 U.S.C. 450b, 450h, 3318b).

The 2006 Budget request includes funding to continue the development of an integrated and comprehensive data and analysis framework to provide a basis for understanding, monitoring, tracking, and identifying changes in the food supply and consumption patterns.

Object Classification (in millions of dollars)

Identification code 12-1701-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	37	39	39
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	39	41	41
12.1 Civilian personnel benefits	8	8	9
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	2	6	11
25.3 Other purchases of goods and services from Government accounts	11	9	9
25.5 Research and development contracts	5	5	5
26.0 Supplies and materials	1	1	1
31.0 Equipment	2	1	1
41.0 Grants, subsidies, and contributions	1	1	2
99.0 Direct obligations	71	74	81
99.0 Reimbursable obligations	2	2	2
99.9 Total new obligations	73	76	83

Personnel Summary

Identification code 12-1701-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	433	452	456
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	6	3	3

NATIONAL AGRICULTURAL STATISTICS SERVICE

Federal Funds

General and special funds:

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture, as authorized by 7 U.S.C. 1621–1627 and 2204g, and other laws, [\$129,480,000] \$145,159,000, of which up to [\$22,405,000] \$29,115,000 shall be available until expended for the Census of Agriculture. (7 U.S.C. 411, 411a, 411b, 427, 471, 475, 476, 501, 951, 953, 955–57, 2201, 2202, 2204, 2225, 2248, 3103, 3311, 3504; 18 U.S.C. 1902, 1905, 2072; 42 U.S.C. 1891–93; 44 U.S.C. 3501–11; 50 U.S.C. 2061 et seq., 2251 et seq.; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-1801-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Agricultural estimates	95	101	110
00.02 Statistical research and service	4	5	7
00.03 Census of Agriculture	27	26	29
09.01 Reimbursable program	21	21	21
10.00 Total new obligations	147	153	167
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	3	.....
22.00 New budget authority (gross)	150	150	167
23.90 Total budgetary resources available for obligation	152	153	167
23.95 Total new obligations	−147	−153	−167
24.40 Unobligated balance carried forward, end of year	3	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	129	129	145
40.35 Appropriation permanently reduced	−1	−1	.....
43.00 Appropriation (total discretionary)	128	128	145
Mandatory:			
60.26 Appropriation (trust fund)	1	1	1
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	10	10	21
68.10 Change in uncollected customer payments from Federal sources (unexpired)	11	11	.....
68.90 Spending authority from offsetting collections (total discretionary)	21	21	21
70.00 Total new budget authority (gross)	150	150	167
Change in obligated balances:			
72.40 Obligated balance, start of year	10	15	5
73.10 Total new obligations	147	153	167
73.20 Total outlays (gross)	−140	−152	−166
74.00 Change in uncollected customer payments from Federal sources (unexpired)	−11	−11	.....
74.10 Change in uncollected customer payments from Federal sources (expired)	9	.....	.....
74.40 Obligated balance, end of year	15	5	6

Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	121	135	150
86.93 Outlays from discretionary balances	18	16	15
86.97 Outlays from new mandatory authority	1	1	1
87.00 Total outlays (gross)	140	152	166
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources	-16	-16	-18
Non-Federal sources	-3	-3	-3
88.90 Total, offsetting collections (cash)	-19	-19	-21
Against gross budget authority only:			
Change in uncollected customer payments from			
Federal sources (unexpired)	-11	-11	.....
88.96 Portion of offsetting collections (cash) credited to	9	9	.....
Net budget authority and outlays:			
89.00 Budget authority	129	129	146
90.00 Outlays	121	133	145

Agricultural estimates.—The Service provides the official National and State estimates of acreage, yield, and production of crops, stocks, and value of farm commodities, and numbers of inventory values of livestock items. Data on approximately 120 crops and 45 livestock products are covered in nearly 400 reports issued each year. Detailed data are also collected on agricultural chemical use, labor, and expenditures. In addition, the Census of Agriculture is conducted every five years which provides comprehensive data on the Nation's agricultural industry down to the county level.

The work under this activity is conducted through 46 field offices serving the 50 States and Puerto Rico; most of these offices are operated as joint State and Federal services. Cooperative arrangements with State agencies provide additional State and county data. The 2006 program includes funding to continue restoration and modernization of the Agricultural Estimates program and the continuing development of a locality based agricultural county estimates/small area estimation program. Both initiatives are designed to strengthen the quality of published data.

Census of Agriculture.—The Census of Agriculture is conducted every five years. A proposed increase of \$6.5 million due to cyclical activities will be used to finalize content; continue mail list development; and streamline and upgrade processing systems in preparation for the 2007 Census of Agriculture.

Miscellaneous funds received from local organizations, commodity groups, and others are available for dissemination of reports and for survey work conducted under cooperative agreements (7 U.S.C. 450b, 450h, 3318b).

Object Classification (in millions of dollars)

Identification code 12-1801-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
Full-time permanent	70	72	74
Other than full-time permanent	1	1	1
Other personnel compensation	1	1	1
11.9 Total personnel compensation	72	74	76
Civilian personnel benefits	18	20	18
Travel and transportation of persons	3	3	2
Transportation of things	1	1	1
23.3 Communications, utilities, and miscellaneous charges	5	5	5
Other services	11	11	25
25.3 Other purchases of goods and services from Government accounts	8	9	9
Operation and maintenance of equipment	3	3	3
Supplies and materials	1	2	2
31.0 Equipment	4	4	5
99.0 Direct obligations	126	132	146
99.0 Reimbursable obligations	21	21	21

99.9 Total new obligations	147	153	167
Personnel Summary			
Identification code 12-1801-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,004	1,260	1,289
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	106	106	106

AGRICULTURAL RESEARCH SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, and for land exchanges where the lands exchanged shall be of equal value or shall be equalized by a payment of money to the grantor which shall not exceed 25 percent of the total value of the land or interests transferred out of Federal ownership, [\$1,110,887,000] \$996,107,000: *Provided*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building shall not exceed \$375,000, except for headhouses or greenhouses which shall each be limited to \$1,200,000, and except for 10 buildings to be constructed or improved at a cost not to exceed \$750,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or \$375,000, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further*, That appropriations hereunder shall be available for granting easements at the Beltsville Agricultural Research Center: *Provided further*, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law: *Provided further*, That all rights and title of the United States in the 1.0664-acre parcel of land including improvements, as recorded at Book 1320, Page 253, records of Larimer County, State of Colorado, shall be conveyed to the Board of Governors of the Colorado State University for the benefit of Colorado State University.

None of the funds appropriated under this heading shall be available to carry out research related to the production, processing, or marketing of tobacco or tobacco products. (7 U.S.C. 328, 427, 427i, 1281 note, 1621, 2201, 2204, 2225, 3101 note; 10 U.S.C. 2306; 16 U.S.C. 590(a)-590(b), 590(k); 18 U.S.C. 1114; 19 U.S.C. 1306(a), 1306(c); 20 U.S.C. 191-194; 21 U.S.C. 114c, 114e-131; 42 U.S.C. 1476(e), 1483; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-1400-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
Direct program:			
00.01 Product Quality/Value Added	110	105	98
00.02 Livestock Production	95	84	63
00.03 Crop Production	179	197	160
00.04 Food Safety	96	95	85
00.05 Livestock Protection	64	63	65

General and special funds—Continued**SALARIES AND EXPENSES**—Continued

Program and Financing (in millions of dollars)—Continued				
	Identification code 12-1400-0-1-352	2004 actual	2005 est.	2006 est.
00.06	Crop Protection	180	185	156
00.07	Human nutrition research	81	84	82
00.08	Environmental Stewardship	213	219	178
00.09	National Agricultural Library	23	22	22
00.10	Repair and maintenance of facilities	18	18	18
00.11	Collaborative research program	6	.....	.....
00.12	Homeland security	21	30	69
00.13	Construction/Miscellaneous Fees	13	4	.....
09.00	Reimbursable program	74	80	80
10.00	Total new obligations	1,173	1,186	1,076
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	17	4	.....
22.00	New budget authority (gross)	1,164	1,182	1,076
23.90	Total budgetary resources available for obligation	1,181	1,186	1,076
23.95	Total new obligations	−1,173	−1,186	−1,076
23.98	Unobligated balance expiring or withdrawn	−3	.....	.....
24.40	Unobligated balance carried forward, end of year	4	.....	.....
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	1,089	1,111	996
40.35	Appropriation permanently reduced	−6	−9	.....
42.00	Transferred from other accounts	6	.....	.....
43.00	Appropriation (total discretionary)	1,089	1,102	996
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	26	80	80
68.10	Change in uncollected customer payments from Federal sources (unexpired)	49	.....	.....
68.90	Spending authority from offsetting collections (total discretionary)	75	80	80
70.00	Total new budget authority (gross)	1,164	1,182	1,076
Change in obligated balances:				
72.40	Obligated balance, start of year	325	314	310
73.10	Total new obligations	1,173	1,186	1,076
73.20	Total outlays (gross)	−1,157	−1,190	−1,097
73.40	Adjustments in expired accounts (net)	−10	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	−49	.....	.....
74.10	Change in uncollected customer payments from Federal sources (expired)	32	.....	.....
74.40	Obligated balance, end of year	314	310	289
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	890	942	857
86.93	Outlays from discretionary balances	267	248	240
87.00	Total outlays (gross)	1,157	1,190	1,097
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	−44	−66	−66
88.40	Non-Federal sources	−13	−14	−14
88.90	Total, offsetting collections (cash)	−57	−80	−80
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	−49	.....	.....
88.96	Portion of offsetting collections (cash) credited to expired accounts	31	.....	.....
Net budget authority and outlays:				
89.00	Budget authority	1,089	1,102	996
90.00	Outlays	1,099	1,110	1,017

The Agricultural Research Service conducts research to provide the means for a safer, more economical supply of agricultural products for the Nation and to provide producers with technologies to competitively supply these products. Tech-

nology needs of regulatory, technical assistance and education agencies of USDA and other Federal agencies are supported through ARS research. The Service uses coordinated, interdisciplinary approaches to perform basic and applied research on soil and water conservation, plant and animal sciences, commodity conversion and delivery, human nutrition, and integrated agricultural systems. In 2006, the Service proposes increased emphases for critical research needs in agriculture, such as: support for homeland security efforts to protect the Nation's food supply (emerging and exotic diseases of plants and animals, food safety, and the national plant disease recovery system); bovine spongiform encephalopathy (BSE); air and water quality; biobased products and bioenergy; sequencing and bioinformatics; nutrition and obesity; genetic resources; controlling invasive species; climate change; agricultural information services and cyber security. Consistent with the 2005 Budget, the 2006 Budget also proposes to eliminate funding for unrequested Congressional earmarks added to the Service since 2001. In 2004, the Service submitted 81 new patent applications, participated in 44 new Cooperative research and development agreements (CRADAs), licensed 29 new products, and developed 57 new plant varieties to release to industry for further development and marketing.

Product Quality/Value Added.—New products, new uses, and value-added processes that appeal to consumers will create additional demand-driven need for agricultural production, thus providing more opportunities for agricultural producers and businesses. Biobased technologies promise new opportunities for energy, industrial and pharmacological markets for U.S. farmers. New markets are emerging for environmental activities and products that mitigate environmental concerns.

Livestock Production.—Intense competition in global markets emphasizes the need for American agriculture to pursue and market higher value animal products. Research must respond to consumer demands for healthier and safer products to ensure a sustainable and profitable livestock production system that produces affordable value-added food, fiber, and industrial products. These superior technologies must effectively differentiate U.S. agricultural products from competing sources and provide customers with value-added processes that enhance product quality.

Crop Production.—ARS will develop and disseminate science-based information to provide U.S. crop producers with increased flexibility to effectively manage unforeseen risks that impact profitability and product quality. U.S. agricultural production and marketability is constantly influenced by factors such as unpredictable weather, disease and pest outbreaks, and changing consumer demands. Use of genetically diverse germplasm resource collections and best management practices require research that helps improve production efficiency and productivity through the development of pest resistant varieties and information to facilitate decision-making.

Food Safety.—For the Nation to have affordable and safe food, the food system must be protected at each step from production to consumption. The production and distribution system for food in the United States has been a diverse, extensive, and easily accessible system. This open system is vulnerable to the introduction of pathogens and toxins through natural processes, global commerce, and by intentional means. Thus, the food supply must be protected during production, processing, and preparation from pathogens, toxins, and chemical contamination that cause disease in humans.

Livestock Protection.—Economic sustainability of livestock production systems in both domestic and global markets is limited by the disease status of the animals. Many factors affect the likelihood of diseases in livestock. These include globalization and international commerce, presence of pathogen vectors, industrialization of agriculture, availability of

vaccines and protection systems, movements of animals during production, continued emergence of new diseases, genetic resistance, and the availability of vaccines and protection systems, movements of animals during production, continued emergence of new disease, genetic resistance, and the availability of trained animal health specialists. Livestock production systems are in transition from open and extensive systems to more closely monitored intensive management systems which remain vulnerable to accidental and intentional exposure to pathogens. Many of these pathogens are zoonotic and impact public health.

Crop Protection.—Economic sustainability of agricultural crop production in both domestic and global markets is limited by the disease status of crops. Many factors affect the likelihood of diseases to crops including, globalization and international commerce, presence of pathogen vectors, availability of protection systems, continued emergence of new disease, genetic resistance of crops, and the availability of trained plant health specialists. Crop systems have limited diversity and will remain extensive and thereby more vulnerable to intentional exposure to pathogens.

Human Nutrition.—Improving the Nation's health requires enhancing the quality of the American diet. The United States is experiencing an obesity epidemic resulting from multi-faceted causes including a "more is better" mindset, a sedentary lifestyle, and the selection of readily available high calorie foods. In addition, four of the top ten causes of death in the U.S.—cardiovascular disease, cancer, stroke, and diabetes—are associated with the quality of our diets—diets too high in calories, total fat, saturated fat, cholesterol, or too low in fiber. Americans want fresh foods that taste good, are convenient to prepare and consume, and yet, offer nutrition and health benefits. Building a strong connection between agriculture and human health is an important step to providing a nutritionally enhanced food supply. Promoting healthier food choices and educating Americans to balance caloric intake with sufficient daily physical activity are vital steps to preventing obesity and decreasing risk for chronic disease.

Environmental Stewardship.—Agriculture relies on a natural resource base whose sustainability depends on sound, science-based production practices. The management of our renewable resources often seems to be a continuous balancing of conflicting and competing goals and concerns. While this is often the case, particularly in the short-term, longer-term management strategies combined with adequate knowledge of the complex natural systems can yield maximum sustainable benefits from our resources that can satisfy most competing concerns. The outcome will be technology and practices that will mitigate the adverse impact of agriculture on the environment, moderate the build up of green house gasses that may contribute to climate change, and remove the necessity of farming environmentally sensitive marginal lands.

Library and Information Services.—Timely, relevant information is an essential raw material for the research process as well as for effective policy development and decision-making. Targeted information services are also required to support specialized USDA audiences such as inspectors, regulators, nutritionists, and others, as well as their peers, customers and stakeholders nationwide. The general public requires information on a very broad set of agriculture-related topics, ranging from small business development to gardening to nutrition to food safety to farming to textiles to statistics and beyond. And, the permanent preservation of USDAs and the Nation's agricultural intellectual heritage is a key national responsibility. The National Agricultural Library (NAL) is mandated to fulfill these roles and is a national resource for all users of agricultural information. NAL's work in collecting, preserving and ensuring access to agricultural information is fundamental to the continued wellbeing and growth

of U.S. agriculture, and the development of food supplies for the nation and world.

Repair and maintenance of facilities.—Funds are used to restore, upgrade, and maintain Federal facilities to meet OSHA and EPA requirements, provide suitable workspace for in-house research programs, and to retrofit existing structures for better energy utilization.

Collaborative Research Program.—Funds from the U.S. Agency for International Development (AID), allow USDA to provide short-term scientific exchanges to the New Independent States of the former Soviet Union (NIS), in developing a market-based agricultural system necessary to meet the food needs of their populations and to develop and strengthen trade linkages between their countries and related agribusiness and agricultural enterprise in the U.S.

Reimbursements.—Agricultural Research Service performs program research activities and services for other USDA, Federal, and non-Federal agencies. These activities and services are paid for on a reimbursable basis.

Object Classification (in millions of dollars)

Identification code 12-1400-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	465	483	496
11.3 Other than full-time permanent	21	22	22
11.5 Other personnel compensation	13	13	13
11.9 Total personnel compensation	499	518	531
12.1 Civilian personnel benefits	128	133	136
21.0 Travel and transportation of persons	20	20	19
22.0 Transportation of things	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	39	40	35
24.0 Printing and reproduction	2	2	2
25.1 Advisory and assistance services	1	1	1
25.2 Other services	6	10	4
25.3 Other purchases of goods and services from Government accounts	2	2	2
25.4 Operation and maintenance of facilities	37	33	29
25.5 Research and development contracts	187	167	84
25.7 Operation and maintenance of equipment	8	8	7
25.8 Subsistence and support of persons	1	1	1
26.0 Supplies and materials	93	94	82
31.0 Equipment	50	51	45
32.0 Land and structures	6	7	5
41.0 Grants, subsidies, and contributions	18	17	11
99.0 Direct obligations	1,099	1,106	996
99.0 Reimbursable obligations	74	80	80
99.9 Total new obligations	1,173	1,186	1,076

Personnel Summary

Identification code 12-1400-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			
1001 Total compensable workyears: Civilian full-time equivalent employment	8,447	8,485	8,485
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	196	196	196

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, [\$187,838,000] \$64,800,000, to remain available until expended. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

General and special funds—Continued

BUILDINGS AND FACILITIES—Continued

Program and Financing (in millions of dollars)

Identification code 12-1401-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Building and facilities projects			
161	180	200	
10.00 Total new obligations	161	180	200
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	403	306	312
22.00 New budget authority (gross)	64	186	65
23.90 Total budgetary resources available for obligation	467	492	377
23.95 Total new obligations	161	180	200
24.40 Unobligated balance carried forward, end of year	306	312	177
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	64	188	65
40.35 Appropriation permanently reduced		−2	
43.00 Appropriation (total discretionary)	64	186	65
Change in obligated balances:			
72.40 Obligated balance, start of year	83	149	212
73.10 Total new obligations	161	180	200
73.20 Total outlays (gross)	−94	−117	−123
74.40 Obligated balance, end of year	149	212	289
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	45	28	9
86.93 Outlays from discretionary balances	49	89	114
87.00 Total outlays (gross)	94	117	123
Net budget authority and outlays:			
89.00 Budget authority	64	186	65
90.00 Outlays	94	117	123

This account provides funds for the acquisition of land, construction, repair, improvement, extension, alterations, and purchases of fixed equipment or facilities of or used by the Agricultural Research Service. The 2006 Budget request provides for additional funding required for the accelerated completion of the department's animal research and diagnostic facilities at Ames, IA; the modernization of the foreign weed science laboratory, Frederick, MD and the National agricultural library, Beltsville, MD.

Object Classification (in millions of dollars)

Identification code 12-1401-0-1-352	2004 actual	2005 est.	2006 est.
25.2 Other services	156	159	148
31.0 Equipment	1	1	2
32.0 Land and structures	4	20	50
99.9 Total new obligations	161	180	200

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Receipts (in millions of dollars)

Identification code 12-8214-0-7-352	2004 actual	2005 est.	2006 est.
Receipts:			
02.20 Deposits of miscellaneous contributed funds, Science and Education			
14	18	18	
Appropriations:			
05.00 Miscellaneous contributed funds	−14	−18	−18
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8214-0-7-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Miscellaneous contributed funds	19	20	20
10.00 Total new obligations	19	20	20
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	20	15	13
22.00 New budget authority (gross)	14	18	18
23.90 Total budgetary resources available for obligation	34	33	31
23.95 Total new obligations	−19	−20	−20
24.40 Unobligated balance carried forward, end of year	15	13	11
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	14	18	18
Change in obligated balances:			
72.40 Obligated balance, start of year	8	8	8
73.10 Total new obligations	19	20	20
73.20 Total outlays (gross)	−20	−20	−22
74.40 Obligated balance, end of year	8	8	6
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	14	13	13
86.98 Outlays from mandatory balances	6	7	9
87.00 Total outlays (gross)	20	20	22
Net budget authority and outlays:			
89.00 Budget authority	14	18	18
90.00 Outlays	20	20	22

Miscellaneous contributed funds received from States, local organizations, individuals, and others are available for work under cooperative agreements on research activities.

Object Classification (in millions of dollars)

Identification code 12-8214-0-7-352	2004 actual	2005 est.	2006 est.
11.1 Personnel compensation: Full-time permanent	6	6	6
12.1 Civilian personnel benefits	1	1	1
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	1	2	2
25.5 Research and development contracts	5	5	5
26.0 Supplies and materials	4	4	4
31.0 Equipment	1	1	1
99.9 Total new obligations	19	20	20

Personnel Summary

Identification code 12-8214-0-7-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	113	113	113

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

Federal Funds

General and special funds:

INTEGRATED ACTIVITIES

For the integrated research, education, and extension grants programs, including necessary administrative expenses, [**\$55,153,000**] **\$35,013,000**, as follows: For competitive grants programs authorized under section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626), \$43,058,000, including \$12,971,000 for the water quality program, \$14,967,000 for the food safety program, \$4,200,000 for the regional pest management centers program, \$4,500,000 for the Food Quality Protection Act risk mitigation

tion program for major food crop systems, \$1,400,000 for the crops affected by Food Quality Protection Act implementation, \$3,131,000 for the methyl bromide transition program, and \$1,889,000 for the organic transition program; for a competitive international science and education grants program authorized under section 1459A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b), to remain available until expended, \$1,000,000; for grants programs authorized under section 2(c)(1)(B) of Public Law 89-106, as amended, [\$750,000] \$2,500,000, to remain available until September 30, [2006] 2007 for the critical issues program, and [\$1,345,000] \$1,513,000 for the regional rural development centers program; and [\$9,000,000] \$30,000,000 for the [homeland security program] Food and Agriculture Defense Initiative authorized under section 1484 of the National Agricultural Research, Extension, and Teaching Act of 1977, to remain available until September 30, [2006] 2007. (7 U.S.C. 450i(c)(1)(B), 3292b, 3351, 7626; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)			
	2004 actual	2005 est.	2006 est.
Identification code 12-1502-0-1-352			
Obligations by program activity:			
00.10 Organic Research and Extension Init.	3	.....	.....
00.20 Water quality	12	13	.....
00.30 Food safety	13	15	.....
00.40 Regional pest management centers	4	4	.....
00.50 Crops at risk from Food Quality Protection Act implementation	1	1	.....
00.60 Food Quality Protection Act risk mitigation program	5	4	.....
00.70 Methyl bromide transition program	3	3	.....
00.71 Homeland Security	8	9	30
00.86 International science and education grants .....	.....	2	1
00.87 Rural development centers	1	1	2
00.88 Organic transition	2	2	.....
00.89 Critical issues—plant and animal diseases .....	.....	1	2
10.00 Total new obligations	52	55	35
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year .....	.....	2	2
22.00 New budget authority (gross)	53	55	35
23.90 Total budgetary resources available for obligation	53	57	37
23.95 Total new obligations	—52	—55	—35
24.40 Unobligated balance carried forward, end of year	2	2	2
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	53	55	35
Change in obligated balances:			
72.40 Obligated balance, start of year	108	118	122
73.10 Total new obligations	52	55	35
73.20 Total outlays (gross)	—45	—51	—58
73.40 Adjustments in expired accounts (net)	3	.....	.....
74.40 Obligated balance, end of year	118	122	99
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6	7	15
86.93 Outlays from discretionary balances	39	44	43
87.00 Total outlays (gross)	45	51	58
Net budget authority and outlays:			
89.00 Budget authority	53	55	35
90.00 Outlays	45	51	58

Under the Integrated Activities account, research, education and/or extension grants are awarded for competitive and non-competitive programs. In 2006, the Budget proposes that Section 406 activities, formerly supported under the Integrated account, be supported within the Research and Education account. These activities will be funded at \$41.9 million, but the grants will be administered through the National Research Initiative (NRI) or the new competitive regional, State or local applied research program. This will allow greater flexibility and responsiveness to changing needs in these targeted activities.

Critical issues program.—Funds are proposed to develop early intervention strategies to prevent, manage or eradicate new and emerging diseases, both plant and animal, which would prevent loss of revenue to growers or producers.

Regional rural development centers.—Funding supports activities that pursue a holistic development strategy that tailors programming to meet regional and local needs and addresses areas of opportunity arising from a consumer-driven agricultural economy.

Regional Diagnostic Network (homeland security).—As part of the Food and Agriculture Defense Initiative, this program provides support to an unified network of public agricultural institutions to identify and respond to high risk biological pathogens in the food and agricultural system. The 2006 Budget includes an increase to enhance agricultural defense.

Object Classification (in millions of dollars)

Identification code 12-1502-0-1-352	2004 actual	2005 est.	2006 est.
11.1 Personnel compensation: Full-time permanent	1	1	.....
25.2 Other services	1	1	1
41.0 Grants, subsidies, and contributions	50	53	34
99.9 Total new obligations	52	55	35

Personnel Summary

Identification code 12-1502-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	8	8	4

INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS

Program and Financing (in millions of dollars)	2004 actual	2005 est.	2006 est.
Identification code 12-1503-0-1-352			
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	140
22.00 New budget authority (gross)	140	—140
23.90 Total budgetary resources available for obligation	140	.....
24.40 Unobligated balance carried forward, end of year	140	.....

New budget authority (gross), detail:

Discretionary:			
40.35 Appropriation permanently reduced .....	.....	.....	—160
40.36 Unobligated balance permanently reduced .....	.....	.....	—140
43.00 Appropriation (total discretionary)	.....	.....	—300
Mandatory:			
62.00 Transferred from other accounts .....	.....	140	160
70.00 Total new budget authority (gross)	.....	140	—140

Change in obligated balances:

72.40 Obligated balance, start of year	113	62	28
73.20 Total outlays (gross)	—53	—34	—7
73.40 Adjustments in expired accounts (net)	1	.....	.....
74.40 Obligated balance, end of year	62	28	21

Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	.....	.....	—15
86.97 Outlays from new mandatory authority .....	.....	.....	8
86.98 Outlays from mandatory balances	53	34	14
87.00 Total outlays (gross)	53	34	7

Net budget authority and outlays:

89.00 Budget authority .....	.....	140	—140
90.00 Outlays	53	34	7

1998 Research Act.—The 2006 Budget proposes to cancel \$140 million in 2005 funding and \$160 million in 2006 fund-

General and special funds—Continued

INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS—
Continued

ing because adequate funding for similar research is proposed through other USDA research programs.

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, [§660,781,000] \$545,500,000, as follows: to carry out the provisions of the Hatch Act of 1887 (7 U.S.C. 361a-i), [§180,148,000] \$89,354,000; for grants for cooperative forestry research (16 U.S.C. 582a through a-7), [§22,384,000] \$11,103,000; for payments to the 1890 land-grant colleges, including Tuskegee University and West Virginia State University (7 U.S.C. 3222), [§37,000,000] \$38,250,000, of which \$1,507,496 shall be made available only for the purpose of ensuring that each institution shall receive no less than \$1,000,000; for special grants for agricultural research (7 U.S.C. 450i(c)), [§121,284,000] \$3,341,000; for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)), [§15,280,000] \$15,006,000; for research grants for the state agricultural experiment stations competitively awarded (7 U.S.C. 450i(c)(1)(A)), \$75,000,000; for competitive research grants (7 U.S.C. 450i(b)), [§181,000,000; for the support of animal health and disease programs (7 U.S.C. 3195), \$5,098,000; for supplemental and alternative crops and products (7 U.S.C. 3319d), \$1,196,000; for grants for research pursuant to the Critical Agricultural Materials Act (7 U.S.C. 178 et seq.), \$1,111,000, to remain available until expended] \$250,000,000, to remain available until expended; for the 1994 research grants program for 1994 institutions pursuant to section 536 of Public Law 103-382 (7 U.S.C. 301 note), [§1,087,000] \$998,000, to remain available until expended; [for rangeland research grants (7 U.S.C. 3333), \$1,000,000]; for higher education graduate fellowship grants (7 U.S.C. 3152(b)(6)), [§3,000,000] \$4,500,000, to remain available until expended (7 U.S.C. 2209b); for higher education challenge grants (7 U.S.C. 3152(b)(1)), \$5,500,000; for a higher education multicultural scholars program (7 U.S.C. 3152(b)(5)), \$998,000, to remain available until expended (7 U.S.C. 2209b); for a higher education agrosecurity education program (7 U.S.C. 3351), \$5,000,000, to remain available until expended; for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241), \$5,645,000; for noncompetitive grants for the purpose of carrying out all provisions of 7 U.S.C. 3242 (section 759 of Public Law 106-78) to individual eligible institutions or consortia of eligible institutions in Alaska and in Hawaii, with funds awarded equally to each of the States of Alaska and Hawaii, [§3,500,000] \$2,997,000; for a secondary agriculture education program and 2-year post-secondary education (7 U.S.C. 3152(j)), \$1,000,000; for aquaculture grants (7 U.S.C. 3322), [§4,000,000] \$3,996,000; for sustainable agriculture research and education (7 U.S.C. 5811), [§12,500,000] \$9,230,000; for a program of capacity building grants (7 U.S.C. 3152(b)(4)) to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321-326 and 328), including Tuskegee University and West Virginia State University, [§12,411,000] \$12,500,000, to remain available until expended (7 U.S.C. 2209b); for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103-382, \$2,250,000; [for resident instruction grants for insular areas under section 1491 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3363), \$500,000]; and for necessary expenses of Research and Education Activities, [§42,889,000] \$8,832,000, of which \$2,750,000 for the Research, Education, and Economics Information System and \$2,173,000 for the Electronic Grants Information System, are to remain available until expended.

None of the funds appropriated under this heading shall be available to carry out research related to the production, processing, or marketing of tobacco or tobacco products: *Provided*, That this paragraph shall not apply to research on the medical, biotechnological, food, and industrial uses of tobacco. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For the Native American Institutions Endowment Fund authorized by Public Law 103-382 (7 U.S.C. 301 note), \$12,000,000, to remain

available until expended. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Unavailable Receipts (in millions of dollars)

Identification code 12-1500-0-1-352	2004 actual	2005 est.	2006 est.
01.99 Balance, start of year	46	55	67
Receipts:			
02.40 Federal payment, Native American institutions endowment fund	9	12	12
02.41 Earnings on investments, Native American institutions endowment	2	2	3
02.99 Total receipts and collections	11	14	15
04.00 Total: Balances and collections	57	69	82
Appropriations:			
05.00 Research and education activities	-2	-2	-3
07.99 Balance, end of year	55	67	79

Program and Financing (in millions of dollars)

Identification code 12-1500-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Payments under the Hatch Act	179	179	89
00.02 Cooperative forestry research	22	22	11
00.03 Payments to 1890 colleges and Tuskegee Univ. and West Virginia State College	36	37	38
00.04 Special research grants	145	156	108
00.05 National research initiative competitive grants	151	270	250
00.06 Animal health and disease research	5	5	.....
00.07 Federal administration	37	43	9
00.08 Higher education	30	35	40
00.09 Native American Institutions Endowment Fund	11	14	15
09.00 Reimbursable program	19	17	17
10.00 Total new obligations	635	778	577
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	103	110	19
22.00 New budget authority (gross)	641	687	577
23.90 Total budgetary resources available for obligation	744	797	596
23.95 Total new obligations	-635	-778	-577
24.40 Unobligated balance carried forward, end of year	110	19	19
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	630	673	557
40.20 Appropriation (special fund)	2	2	3
40.35 Appropriation permanently reduced	-4	-5	.....
43.00 Appropriation (total discretionary)	628	670	560
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	.....	17	17
68.10 Change in uncollected customer payments from Federal sources (unexpired)	13	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	13	17	17
70.00 Total new budget authority (gross)	641	687	577
Change in obligated balances:			
72.40 Obligated balance, start of year	565	665	850
73.10 Total new obligations	635	778	577
73.20 Total outlays (gross)	-559	-593	-500
73.40 Adjustments in expired accounts (net)	20	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-13	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired)	16	.....	.....
74.40 Obligated balance, end of year	665	850	927
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	214	360	304
86.93 Outlays from discretionary balances	343	233	196
86.98 Outlays from mandatory balances	2	.....	.....
87.00 Total outlays (gross)	559	593	500

Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	– 19	– 17	– 17
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	– 13	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts	19	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	628	670	560
90.00 Outlays	540	576	483
Memorandum (non-add) entries:			
92.01 Total investments, start of year: Federal securities:			
Par value	41	52	64
92.02 Total investments, end of year: Federal securities:			
Par value	52	64	76

Cooperative State Research, Education, and Extension Service participates in a nationwide system of agricultural research and education program planning and coordination between State institutions and the U.S. Department of Agriculture. It assists in maintaining cooperation among the State institutions, and between the State institutions and their Federal research partners. The agency administers grants and payments to State institutions to supplement State and local funding for agricultural research and higher education.

The Budget proposes that beginning in 2006, a portion of funding for the Hatch Act, McIntire Stennis Cooperative Forestry, and Animal Health and Disease Research Programs be shifted to competitively awarded grants. The 2006 Budget proposes a new competitively awarded grants program to support systemwide research planning and coordination and for regional, State, and local research in the areas of new products/new uses, social sciences, and the environment. This program will replace some of the multistate efforts currently supported by formula funds. In addition, the Budget proposes an increase in funding for the NRI.

Payments under the Hatch Act.—Funds under the Hatch Act are allocated on a formula basis to agricultural experiment stations of the land-grant colleges in the 50 States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, Micronesia, and Northern Mariana Islands.

Cooperative forestry research.—These funds are allocated by formula to land-grant colleges or agricultural experiment stations in the 50 States, Puerto Rico, Guam, the Virgin Islands, and other State-supported colleges and universities having a forestry school and offering graduate training in forestry sciences.

Payments to 1890 colleges and Tuskegee University and West Virginia State University.—Funds allocated on a formula basis support agricultural research and broaden the curricula at the eighteen 1890 land-grant colleges, including Tuskegee University and West Virginia State University.

Special research grants.—This program addresses research areas of national interest. Funding is proposed for grant programs in IR-4 minor crop pest management, pest management alternatives, and sustainable agriculture. Funding is also proposed for integrated pest management. Advances in these areas will provide producers with safe, alternative pest control methods resulting in more farmers increasing the number of acres on which Integrated Pest Management (IPM) methods are used. Funding proposed for IR-4 minor crop pest management and minor use animal drugs will address the growing need for registration of safe pesticides and drugs for minor crops and animals and lead to reduced levels of chemical and drug residues in food products by half. These pest management programs will be coordinated to address Food Quality and Protection Act issues. The IR-4 and IPM programs are contained under improved pest control funding. Improved pest control also includes Pest Management Alter-

natives, and Expert IPM Decision Support System Programs. A grant program for global change is proposed for research at universities as part of a coordinated Federal initiative. Funding is also proposed for the National Biological Impact Assessment Program, and aquaculture centers. In 2006, a new competitively awarded grants program is proposed to support systemwide research, planning and coordination, for regional, State and local research in the areas of new products/new uses, social sciences and the environment. The 2006 Budget eliminates funding for unrequested earmarks.

National research initiative competitive grants.—Funding is being proposed for the National Research Initiative (NRI). Research scientists throughout the U.S. scientific community compete for funding under this program. The performance goal has been to attract the widest possible involvement of U.S. scientists in agricultural research to increase the knowledge base related to U.S. agriculture, food, and the environment and maintain world leadership in agricultural science and engineering. NRI funding has resulted in increased participation by universities which are not traditionally considered agricultural schools and of highly skilled researchers in projects addressing agricultural issues. The outcomes include the efficient communication of research results to scientific, engineering, and community user groups. These grants support research in plants and animals; natural resources and the environment; nutrition, food safety, and health; markets, trade, and rural development; and processing for adding value or developing new products.

1994 Institutions Research.—Funding is proposed to continue the competitive research grants program to build the research capacity at the thirty-three 1994 institutions by supporting agricultural research activities that address tribal, national and multistate priorities.

Federal administration.—A coordinating and review staff assists in maintaining cooperation within and among the States, and between the States and their Federal research partners. This staff also administers research and education grants and payments to States. Federal administration is funded from a combination of program set-asides from formula and grant programs and from direct appropriation for administration.

Higher education.—Funding is proposed for graduate fellowships grants, competitive challenge grants, Hispanic-serving institutions education grants program, and a multicultural scholars program. Funding is also proposed for Native American institutions, Alaska Native-serving and Native Hawaiian-serving Institutions, and Secondary Agriculture Education and 2-year Post-secondary programs. These programs enable universities to broaden their curricula; increase faculty development; student research projects; and the number of new scholars recruited in the food and agricultural sciences. In addition, an increased number of graduate students, including minority graduate students, will be enrolled in the agricultural sciences. Funding is also proposed for a capacity building program at the 1890 institutions as part of the USDA initiative to strengthen these institutions through a broadening of curricula, increased faculty development and student research projects. Funding is proposed in the 2006 Budget for a Higher Education Agrosecurity Program to provide educational and professional development for personnel in securing the Nation's agriculture and food supply.

Reimbursable program.—Funds support basic and applied agriculture research and activities performed for other USDA, Federal, and non-Federal agencies.

Native American Institutions Endowment Fund.—This program provides for an endowment for the 1994 land-grant institutions (33 Tribally controlled colleges) to strengthen the infrastructure of these institutions and develop Indian expertise for the food and agricultural sciences and businesses and their own communities. At the termination of each fiscal year,

General and special funds—Continued

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND—Continued

the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the fund, distribute the adjusted income on a formula basis to the 1994 land-grant institutions. The 2006 Budget includes an increase for the endowment fund.

Object Classification (in millions of dollars)

Identification code 12-1500-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	15	18	19
12.1 Civilian personnel benefits	4	4	4
21.0 Travel and transportation of persons	2	2	2
25.1 Advisory and assistance services	1	1	1
25.2 Other services	2	2	2
25.4 Operation and maintenance of facilities	1	1	1
25.5 Research and development contracts	2	2	2
25.8 Subsistence and support of persons	1	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
41.0 Grants, subsidies, and contributions	587	728	526
99.0 Direct obligations	616	761	560
99.0 Reimbursable obligations	19	17	17
99.9 Total new obligations	635	778	577

Personnel Summary

Identification code 12-1500-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	202	216	220
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	9	9	9

BUILDINGS AND FACILITIES

Program and Financing (in millions of dollars)

Identification code 12-1501-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	4	.....	.....
10.00 Total new obligations (object class 41.0)	4	.....	.....
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	1	1
23.95 Total new obligations	—4	.....	.....
24.40 Unobligated balance carried forward, end of year	1	1	1
Change in obligated balances:			
72.40 Obligated balance, start of year	4	5	5
73.10 Total new obligations	4	.....	.....
73.20 Total outlays (gross)	—3	.....	.....
74.40 Obligated balance, end of year	5	5	5
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	3	.....	.....
Net budget authority and outlays:			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays	3	.....	.....

Funds provide grants to States and other eligible recipients for the acquisition of land, construction, repair, improvement, extension, alteration and purchase of fixed equipment or facilities to carry out agricultural research, extension, and teaching programs. No funding is proposed in 2006.

EXTENSION ACTIVITIES

For payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa, **[\$449,225,000]** **\$431,743,000**, as follows: payments for cooperative extension work under the Smith-Lever Act, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93-471, for retirement and employees' compensation costs for extension agents, **[\$277,742,000]** **\$275,940,000**; payments for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3)), **\$3,273,000**; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, **[\$58,909,000]** **\$62,909,000**; payments for the pest management program under section 3(d) of the Act, **[\$10,000,000]**; payments for the farm safety program under section 3(d) of the Act, **[\$4,600,000]** **\$10,759,000**; payments for *New Technologies for Ag Extension under Section 3(d) of the Act*, **\$3,000,000**; payments to upgrade research, extension, and teaching facilities at the 1890 land-grant colleges, including Tuskegee University and West Virginia State University, as authorized by section 1447 of Public Law 95-113 (7 U.S.C. 322b), **[\$16,912,000]** **\$14,912,000**, to remain available until expended; payments for youth-at-risk programs under section 3(d) of the Smith-Lever Act, **[\$7,538,000]** **\$8,481,000**; for youth farm safety education and certification extension grants, to be awarded competitively under section 3(d) of the Act, **[\$444,000]** **\$499,000**; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 et seq.), **\$4,093,000**; payments for Indian reservation agents under section 3(d) of the Smith-Lever Act, **[\$1,774,000]** **\$1,996,000**; payments for sustainable agriculture programs under section 3(d) of the Act, **[\$4,100,000]**; payments for rural health and safety education as authorized by section 502(i) of Public Law 92-419 (7 U.S.C. 2662(i)), **\$1,981,000** **\$3,792,000**; payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326 and 328) and Tuskegee University and West Virginia State University, **[\$33,133,000]** **\$34,417,000**, of which **\$1,724,884** shall be made available only for the purpose of ensuring that each institution shall receive no less than **\$1,000,000**; for grants to youth organizations pursuant to section 7630 of title 7, United States Code, **\$2,667,000**; and for necessary expenses of Extension Activities, **[\$22,059,000]** **\$7,672,000**. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

Program and Financing (in millions of dollars)

Identification code 12-0502-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Smith-Lever Act, 3(b) and 3(c)	278	276	276
00.02 Youth at risk	8	7	8
00.04 Expanded food and nutrition education program (EFNEP)	52	58	63
00.05 Pest management	10	10	11
00.06 Farm Safety	5	4	.....
00.09 Indian reservation extension agents	2	2	2
00.13 Payments to 1890 colleges and Tuskegee Univ. and West Virginia State College	32	33	34
00.15 Renewable resources extension act	4	4	4
00.16 Federal administration	22	22	8
00.19 1890 facilities (section 1447)	19	17	15
00.21 Sustainable agriculture	4	4	4
00.22 1994 institutions activities	3	3	3
00.23 Youth Farm Safety Program	1	1	1
00.24 Rural Health and Safety Education	2	2	.....
00.25 Grants to Youth Serving Organizations	3	3	.....
00.26 Risk Management Education	5	5	5
00.27 New Technologies for Ag. Extension .....	.....	.....	3
09.00 Reimbursable program	26	17	17
10.00 Total new obligations	476	468	454
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6	.....	.....
22.00 New budget authority (gross)	470	468	454
23.90 Total budgetary resources available for obligation	476	468	454
23.95 Total new obligations	—476	—468	—454
24.40 Unobligated balance carried forward, end of year .....	.....	.....	.....
New budget authority (gross), detail:			
40.00 Appropriation	442	449	432

40.35	Appropriation permanently reduced	-3	-3	.....
43.00	Appropriation (total discretionary)	439	446	432
62.00	Mandatory:			
62.00	Transferred from other accounts	5	5	5
62.10	Spending authority from offsetting collections:			
62.10	Discretionary:			
68.00	Offsetting collections (cash)	2	17	17
68.10	Change in uncollected customer payments from Federal sources (unexpired)	24	.....	.....
68.90	Spending authority from offsetting collections (total discretionary)	26	17	17
70.00	Total new budget authority (gross)	470	468	454
Change in obligated balances:				
72.40	Obligated balance, start of year	294	309	337
73.10	Total new obligations	476	468	454
73.20	Total outlays (gross)	444	-440	-427
73.40	Adjustments in expired accounts (net)	-8	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-24	.....	.....
74.10	Change in uncollected customer payments from Federal sources (expired)	17	.....	.....
74.40	Obligated balance, end of year	309	337	364
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	225	285	276
86.93	Outlays from discretionary balances	219	155	151
87.00	Total outlays (gross)	444	440	427
Offsets:				
88.00	Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	-23	-17	-17
88.95	Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-24	.....	.....
88.96	Portion of offsetting collections (cash) credited to expired accounts	21	.....	.....
Net budget authority and outlays:				
89.00	Budget authority	444	451	437
90.00	Outlays	421	423	410

The Cooperative Extension System, a national educational network, is a dynamic organization pledged to meeting the country's needs for research-based educational programs that will enable people to make practical decisions to improve their lives. To accomplish its mission, the Cooperative Extension System adjusts programs to meet the shifting needs and priorities of the people it serves.

The nonformal educational network combines the expertise and resources of Federal, State, and local partners. The partners in this unique System are: (a) The Cooperative State Research, Education, and Extension Service at the U.S. Department of Agriculture; (b) Extension professionals at land-grant universities throughout the United States and its territories; and (c) Extension professionals in nearly all of the Nation's 3,150 counties. Thousands of paraprofessionals and nearly 3 million volunteers support this partnership and magnify its impact. Strong linkages with both public and private external groups are also crucial to the Cooperative Extension System's strength and vitality.

Programs supported with Smith-Lever 3(b) and (c) legislated formula funds, are the major educational efforts central to the mission of the System and common to most Extension units. These programs are the foundation of the Extension organization and partnership that are intended to increase the number of community-based projects, families, and individuals reached to disseminate research findings as widely and quickly as possible. The use of electronic mail, satellite transmission of courses, and computer-assisted instruction are encouraged to communicate ideas.

Extension resources are provided to the States by these formula funds and competitively-awarded programs such as sustainable agriculture. Smith-Lever 3(b) and (c) funds and

payments to the 1890 colleges and Tuskegee University and West Virginia State University provide funds to support the Extension's infrastructure.

Funds for designated programs, funded by Smith-Lever 3(d) such as youth-at-risk and expanded food and nutrition education program (EFNEP), provide support for the Cooperative Extension System to address identified priority issues.

In 2006, funding has been requested for the Expanded Food and Nutrition Education Program, pest management, children, youth and families at risk, a youth farm safety education and certification pilot project, extension services on Indian reservations, sustainable agriculture, new technologies at Ag Extension, renewable resources extension act, and 1994 (Native American) institutions.

Object Classification (in millions of dollars)

Identification code 12-0502-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	12	13	14
12.1 Civilian personnel benefits	2	3	3
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	3	2	2
25.4 Operation and maintenance of facilities	1	1	1
25.5 Research and development contracts	1	1	1
41.0 Grants, subsidies, and contributions	433	430	415
99.0 Direct obligations	453	451	437
99.0 Reimbursable obligations	23	17	17
99.9 Total new obligations	476	468	454

Personnel Summary

Identification code 12-0502-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	194	215	215

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), \$5,935,000, to remain available until expended. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-0601-0-1-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.10 Direct Program Activity	6	6	6
10.00 Total new obligations (object class 41.0)	6	6	6
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	6	6	6
23.95 Total new obligations	-6	-6	-6
New budget authority (gross), detail:			
40.00 Appropriation	6	6	6
Change in obligated balances:			
72.40 Obligated balance, start of year	8	10	10
73.10 Total new obligations	6	6	6
73.20 Total outlays (gross)	-4	-6	-6
74.40 Obligated balance, end of year	10	10	10
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	6	6
86.93 Outlays from discretionary balances	2	.....	.....
87.00 Total outlays (gross)	4	6	6
Net budget authority and outlays:			
89.00 Budget authority	6	6	6

General and special funds—Continued

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-0601-0-1-351	2004 actual	2005 est.	2006 est.
90.00 Outlays	4	6	6

Outreach for Socially Disadvantaged Farmers Grants.—This competitive program is authorized under section 2501 of Title XXV of the Food, Agriculture, Conservation, and Trade Act of 1990. The Secretary of Agriculture is authorized to make grants to eligible institutions and organizations so that they may provide outreach and technical assistance to encourage and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate in agricultural programs.

Personnel Summary

Identification code 12-0601-0-1-351	2004 actual	2005 est.	2006 est.
Direct: 1001 Total compensable workyears: Civilian full-time equivalent employment	3	3	3

ANIMAL AND PLANT HEALTH INSPECTION SERVICE**Federal Funds****General and special funds:**

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; and to protect the environment, as authorized by law, [**\$814,623,000**] **\$855,162,000**, of which [**\$4,119,000**] **\$4,140,000** shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions; of which [**\$47,500,000**] **\$15,834,000** shall be used for the boll weevil eradication program for cost share purposes or for debt retirement for active eradication zones; of which [**\$33,197,000**] **\$33,340,000** shall be available for a National Animal Identification program: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: *Provided further*, That, in addition, [**in emergencies**] **for sudden, urgent, and unforeseen circumstances** which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as may be deemed necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with sections 10411 and 10417 of the Animal Health Protection Act (7 U.S.C. 8310 and 8316) and sections 431 and 442 of the Plant Protection Act (7 U.S.C. 7751 and 7772), and any unexpended balances of funds transferred for such emergency purposes in the preceding fiscal year shall be merged with such transferred amounts: *Provided further*, That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building: *Provided further*, That no funds shall be used to implement a national animal identification system prior to notification to the Committees on Appropriations which shall include a detailed explanation of the components of such system.

In fiscal year [2005] 2006, the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

Unavailable Receipts (in millions of dollars)

Identification code 12-1600-0-1-352	2004 actual	2005 est.	2006 est.
01.99 Balance, start of year	143	88	81
Receipts:			
02.00 1990 food, agricultural quarantine inspection fees	258	328	363
02.20 Fees, Animal welfare user fee account .....	.....	.....	11
02.99 Total receipts and collections	258	328	374
04.00 Total: Balances and collections	401	416	455
Appropriations:			
05.00 Salaries and expenses	−313	−335	−341
05.10 Salaries and expenses .....	.....	.....	−11
05.99 Total appropriations	−313	−335	−352
07.99 Balance, end of year	88	81	103

Program and Financing (in millions of dollars)

Identification code 12-1600-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Pest and disease exclusion	303	286	306
00.02 Plant and animal health monitoring	133	198	239
00.03 Pest and disease management programs	318	364	342
00.04 Animal care	16	17	7
00.05 Scientific and technical services	70	76	86
00.06 Contingencies	5	4	4
00.07 Emergency program funding	208	94	30
00.08 Information Technology Infrastructure	4	5	5
00.09 Supplemental Appropriations	4	.....	.....
00.10 Physical/Operational Security .....	.....	.....	3
01.00 Total direct program	1,061	1,044	1,022
09.01 Reimbursable program	88	89	89
10.00 Total new obligations	1,149	1,133	1,111
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	283	307	206
22.00 New budget authority (gross)	1,128	1,032	1,081
22.10 Resources available from recoveries of prior year obligations	46	.....	.....
23.90 Total budgetary resources available for obligation	1,457	1,339	1,287
23.95 Total new obligations	−1,149	−1,133	−1,111
23.98 Unobligated balance expiring or withdrawn	−1	.....	.....
24.40 Unobligated balance carried forward, end of year	307	206	176
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	721	815	855
40.35 Appropriation permanently reduced	−4	−7	.....
42.00 Transferred from other accounts	210	.....	.....
43.00 Appropriation (total discretionary)	927	808	855
Mandatory:			
60.20 Appropriation (special fund)	313	335	341
61.00 Transferred to other accounts	−194	−200	−204
62.50 Appropriation (total mandatory)	119	135	137
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	78	89	89
68.10 Change in uncollected customer payments from Federal sources (unexpired)	4	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	82	89	89

70.00	Total new budget authority (gross)	1,128	1,032	1,081
Change in obligated balances:				
72.40	Obligated balance, start of year	403	436	333
73.10	Total new obligations	1,149	1,133	1,111
73.20	Total outlays (gross)	−1,072	−1,236	−1,178
73.40	Adjustments in expired accounts (net)	−11	.....	.....
73.45	Recoveries of prior year obligations	−46	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	−4	.....	.....
74.10	Change in uncollected customer payments from Federal sources (expired)	16	.....	.....
74.40	Obligated balance, end of year	436	333	266
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	720	776	816
86.93	Outlays from discretionary balances	236	301	193
86.97	Outlays from new mandatory authority	93	128	130
86.98	Outlays from mandatory balances	23	31	39
87.00	Total outlays (gross)	1,072	1,236	1,178
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	−33	−30	−30
88.40	Non-Federal sources	−66	−59	−59
88.90	Total, offsetting collections (cash)	−99	−89	−89
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	−4	.....	.....
88.96	Portion of offsetting collections (cash) credited to expired accounts	21	.....	.....
Net budget authority and outlays:				
89.00	Budget authority	1,046	943	992
90.00	Outlays	973	1,147	1,089

Summary of Budget Authority and Outlays

(in millions of dollars)

	2004 actual	2005 est.	2006 est.
Enacted/requested:			
Budget Authority	1,046	943	992
Outlays	973	1,147	1,089
Legislative proposal, not subject to PAYGO:			
Budget Authority		11	
Outlays		11	
Total:			
Budget Authority	1,046	943	1,003
Outlays	973	1,147	1,100

The major objectives of the Animal and Plant Health Inspection Service (APHIS) are to protect the health and value of American agriculture and natural resources against a variety of threats. To achieve this mission, APHIS has developed a protection system that is based on a strategic premise that safeguarding the health of animals, plants, and ecosystems makes possible safe agricultural trade and reduces losses to agricultural and natural resources. This mission is carried out under the five major areas of activity, as follows:

Pest and disease exclusion.—The Agency develops protocols for trade and travel to prevent the entry of plant or animal pests and diseases into the United States and conducts quarantines and treatments of regulated products. APHIS develops and conducts pre-clearance programs to ensure that agricultural products destined for U.S. ports-of-entry do not present a risk to U.S. agriculture. APHIS engages in cooperative programs in foreign countries to control pests of imminent concern to the United States. APHIS also certifies plants and plant products for export and regulates imports and exports of designated endangered plant species. The 2006 Budget proposes significant increases to enhance overseas surveillance and eradication efforts and to identify exotic animal diseases more effectively.

Plant and animal health monitoring.—The Agency conducts programs to assess animal and plant health and to detect

endemic and exotic diseases and pests. The plant and animal health monitoring programs are primarily cooperative efforts of the Federal and State governments, and industry. The Agency also carries out surveys in cooperation with the States to detect harmful plant and animal pests and diseases and to determine if there is a need for pest eradication programs. The 2006 Budget includes significant increases in monitoring programs to enhance agricultural defense. The request includes \$5,290,000 for the mandated select agents program.

Pest and disease management programs.—The Agency carries out programs to control and eradicate infestations and animal diseases that threaten the United States; to reduce agricultural losses caused by predatory animals, birds, and rodents; to provide technical assistance to States, counties, farmer or rancher groups, and foundations; and to ensure compliance with interstate movement and disease control regulations. Interstate shipments of plants, livestock, and related materials are monitored and regulated to prevent the spread of disease. APHIS protects agriculture from detrimental animal predators through identification, demonstration, and application of the most appropriate methods of control. The Budget implements a consistent set of cost-share criteria among Federal and non-Federal partners to respond to a plant and animal infestation. In addition, the 2006 Budget includes increases related to diseases such as citrus canker, emerald ash borer, low pathogenic avian influenza, scrapie and tuberculosis.

Animal care.—The Agency conducts regulatory activities which ensure the humane care and handling of animals used in research, exhibition, or the wholesale pet trade. The Agency is also responsible for administering the Horse Protection Act, which prohibits the showing, selling, or exhibition of sore horses.

Scientific and technical services.—APHIS develops methods to control animals and pests that are detrimental to agriculture, other wildlife, and public safety. The agency regulates genetic research to guard against the release of potentially harmful organisms into the environment. APHIS also conducts veterinary diagnostic laboratory activities and biologic regulatory enforcement to ensure that the products developed for combatting disease are potent, safe, and pure. It also provides and directs technology development in coordination with other groups in APHIS and Plant Protection and Quarantine (PPQ) officials to support PPQ programs of the Agency and its cooperators at the State, national, and international levels. The 2006 Budget includes funding to enhance agricultural defense and for biotech regulatory services.

The 2006 Budget also proposes significant increases to continue enhanced biosecurity efforts and laboratory network activities implemented with 2002 emergency supplemental funds in response to the September 11, 2001, terrorist attacks.

Funding to support inspections of people, cargo and transport from overseas related to agricultural products and a portion of funds for the Plum Island Animal Disease Center is included in the budget of the Department of Homeland Security.

Object Classification (in millions of dollars)

Identification code 12-1600-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1	Full-time permanent	302	307
11.3	Other than full-time permanent	5	6
11.5	Other personnel compensation	6	5
11.9	Total personnel compensation	313	318
12.1	Civilian personnel benefits	91	92
13.0	Benefits for former personnel	2	2
21.0	Travel and transportation of persons	35	33
22.0	Transportation of things	9	9

General and special funds—Continued**SALARIES AND EXPENSES**—Continued**(INCLUDING TRANSFERS OF FUNDS)**—Continued**Object Classification** (in millions of dollars)—Continued

Identification code 12-1600-0-1-352		2004 actual	2005 est.	2006 est.
23.1	Rental payments to GSA	4	4	5
23.2	Rental payments to others	1	2	2
23.3	Communications, utilities, and miscellaneous charges	25	22	22
24.0	Printing and reproduction	3	4	4
25.2	Other services	365	350	334
26.0	Supplies and materials	67	61	64
31.0	Equipment	34	38	38
32.0	Land and structures	1	.....	.....
41.0	United States-Colombia Commission to Prevent Foot-and-Mouth Disease	1	1	1
41.0	Joint Screwworm eradication programs	9	9	9
41.0	Joint Commission on the Mediterranean Fruit Fly	6	6	6
41.0	Other grants, subsidies, and contributions	81	74	71
42.0	Other insurance claims and indemnities	14	19	7
99.0	Direct obligations	1,061	1,044	1,022
99.0	Reimbursable obligations	88	89	89
99.9	Total new obligations	1,149	1,133	1,111

Personnel Summary

Identification code 12-1600-0-1-352		2004 actual	2005 est.	2006 est.
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	5,815	5,778	6,055
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment	810	833	833

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

In addition, such sums as may be deposited to the Animal Welfare User Fee account may be transferred to this account, to be merged with and available for the same purposes as this account, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 12-1600-2-1-352		2004 actual	2005 est.	2006 est.
Obligations by program activity:				
00.04	Animal care .....	.....	.....	11
Budgetary resources available for obligation:				
22.00	New budget authority (gross) .....	.....	.....	11
23.95	Total new obligations .....	.....	.....	-11
New budget authority (gross), detail:				
40.20	Discretionary: Appropriation (special fund) .....	.....	.....	11
Change in obligated balances:				
73.10	Total new obligations .....	.....	.....	11
73.20	Total outlays (gross) .....	.....	.....	-11
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority .....	.....	.....	11
Net budget authority and outlays:				
89.00	Budget authority .....	.....	.....	11
90.00	Outlays .....	.....	.....	11

Legislation will be provided to allow the Department of Agriculture to collect fees for animal welfare activities. The agency will be able to use the fees to the extent provided in appropriation acts.

Object Classification (in millions of dollars)

Identification code 12-1600-2-1-352	2004 actual	2005 est.	2006 est.
11.1 Personnel compensation: Full-time permanent	9
12.1 Civilian personnel benefits	2
99.9 Total new obligations	11

Personnel Summary

Identification code 12-1600-2-1-352	2004 actual	2005 est.	2006 est.
1001 Total compensable workyears: Civilian full-time equivalent employment	107

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, [**\$4,967,000**] **\$4,996,000**, to remain available until expended. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

Program and Financing (in millions of dollars)

Identification code 12-1601-0-1-352	2004 actual	2005 est.	2006 est.	
Obligations by program activity:				
00.01 Direct Program Activity .....	.....	16	14
10.00 Total new obligations (object class 25.2)	16	14	5	

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	20	9	.....
22.00 New budget authority (gross)	5	5	5
23.90 Total budgetary resources available for obligation	25	14	5
23.95 Total new obligations	-16	-14	-5
24.40 Unobligated balance carried forward, end of year	9	.....	.....

New budget authority (gross), detail:

40.00 Discretionary: Appropriation	5	5	5
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Change in obligated balances:

72.40 Obligated balance, start of year	5	7	4
73.10 Total new obligations	16	14	5
73.20 Total outlays (gross)	-15	-17	-5
74.40 Obligated balance, end of year	7	4	4

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	4	1	1
86.93 Outlays from discretionary balances	11	16	4
87.00 Total outlays (gross)	15	17	5

Net budget authority and outlays:

89.00 Budget authority	5	5	5
90.00 Outlays	15	17	5

The buildings and facilities account provides for construction, repairs, preventive maintenance, and alterations, as needed, for APHIS operated facilities, which include animal quarantine stations, border inspection stations, sterile insect rearing facilities, and laboratories.

The 2006 Budget proposes \$5 million for this program, which consists of repairs, alterations, preventive maintenance, and renovations for currently owned APHIS facilities.

Trust Funds**MISCELLANEOUS TRUST FUNDS****Unavailable Receipts (in millions of dollars)**

Identification code 12-9971-0-7-352	2004 actual	2005 est.	2006 est.
Receipts:			
02.20 Deposits of miscellaneous contributed funds, APHIS Appropriations:	16	14	14
05.01 Miscellaneous trust funds	-16	-14	-14
07.99 Balance, end of year .....	.....	.....	.....

Program and Financing (in millions of dollars)

Identification code 12-9971-0-7-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	2	14	14
10.00 Total new obligations	2	14	14
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	24	24
22.00 New budget authority (gross)	16	14	14
23.90 Total budgetary resources available for obligation	26	38	38
23.95 Total new obligations	-2	-14	-14
24.40 Unobligated balance carried forward, end of year	24	24	24
New budget authority (gross), detail:			
Mandatory:			
60.26 Appropriation (trust fund)	16	14	14
Change in obligated balances:			
72.40 Obligated balance, start of year	2	-9	-8
73.10 Total new obligations	2	14	14
73.20 Total outlays (gross)	-13	-13	-13
74.40 Obligated balance, end of year	-9	-8	-7
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	11	8	8
86.98 Outlays from mandatory balances	2	5	5
87.00 Total outlays (gross)	13	13	13
Net budget authority and outlays:			
89.00 Budget authority	16	14	14
90.00 Outlays	13	13	13

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others:

Miscellaneous contributed funds.—Funds are received from States, local organizations, individuals, and others and are available for plant and animal quarantine inspection and cooperative plant and animal disease and pest control activities (7 U.S.C. 450b, 2220). Commencing in 1979, fees were collected for the importation of commercial birds.

Object Classification (in millions of dollars)

Identification code 12-9971-0-7-352	2004 actual	2005 est.	2006 est.
Personnel compensation:			
11.1 Full-time permanent	6	5	5
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	7	6	6
12.1 Civilian personnel benefits	2	3	3
21.0 Travel and transportation of persons	2	2	2
25.2 Other services	-10	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment .....	.....	1	1
99.9 Total new obligations	2	14	14

Personnel Summary

Identification code 12-9971-0-7-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	136	150	150

FOOD SAFETY AND INSPECTION SERVICE**Federal Funds****General and special funds:****Salaries and Expenses**

For necessary expenses to carry out services authorized by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, including not to exceed \$50,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), [\$823,760,000] \$710,717,000, of which no less than [\$742,305,000] \$630,031,000 shall be available for Federal food safety inspection; and in addition, \$1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1327 of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 138f). *Provided*, [That no fewer than 63 full time equivalent positions above the fiscal year 2002 level shall be employed during fiscal year 2005 for purposes dedicated solely to inspections and enforcement related to the Humane Methods of Slaughter Act: *Provided further*, That of the amount available under this heading, notwithstanding section 704 of this Act \$3,000,000, available until September 30, 2006, shall be obligated to include the Humane Animal Tracking System as part of the Field Automation and Information Management System following notification to the Committees on Appropriations, which shall include a detailed explanation of the components of such system: *Provided further*,] That of the total amount made available under this heading, no less than \$20,653,000 shall be obligated for regulatory and scientific training: *Provided further*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building. (7 U.S.C. 450, 1901-06; 10 U.S.C. 2306; 18 U.S.C. 1114; 21 U.S.C. 451-470, 601-624, 641-645, 661, 671-680, 691-692; 694-695; Public Law 99-641; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Unavailable Receipts (in millions of dollars)

Identification code 12-3700-0-1-554	2004 actual	2005 est.	2006 est.
Receipts:			
02.20 Fees, Food safety inspection user fee account	139
Appropriations:			
05.00 Salaries and expenses	-139
79.99 Balance, end of year

Program and Financing (in millions of dollars)

Identification code 12-3700-0-1-554	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct program	786	820	711
09.01 Reimbursable program	128	120	123
10.00 Total new obligations	914	940	834
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	27	5	2
22.00 New budget authority (gross)	895	937	834
23.90 Total budgetary resources available for obligation	922	942	836
23.95 Total new obligations	-914	-940	-834
23.98 Unobligated balance expiring or withdrawn	-5	.....	.....
24.40 Unobligated balance carried forward, end of year	5	2	2
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	785	824	711

General and special funds—Continued**SALARIES AND EXPENSES**—Continued**Program and Financing** (in millions of dollars)—Continued

		2004 actual	2005 est.	2006 est.
Identification code 12-3700-0-1-554				
40.35	Appropriation permanently reduced	—10	—7	.....
41.00	Transferred to other accounts	—1	.....	.....
43.00	Appropriation (total discretionary)	774	817	711
	Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	104	120	123
68.10	Change in uncollected customer payments from Federal sources (unexpired)	17	.....	.....
68.90	Spending authority from offsetting collections (total discretionary)	121	120	123
70.00	Total new budget authority (gross)	895	937	834
	Change in obligated balances:			
72.40	Obligated balance, start of year	88	101	102
73.10	Total new obligations	914	940	834
73.20	Total outlays (gross)	—884	—939	—840
73.40	Adjustments in expired accounts (net)	—18	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	—17	.....	.....
74.10	Change in uncollected customer payments from Federal sources (expired)	19	.....	.....
74.40	Obligated balance, end of year	101	102	96
	Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	837	896	799
86.93	Outlays from discretionary balances	47	43	41
87.00	Total outlays (gross)	884	939	840
	Offsets:			
	Against gross budget authority and outlays:			
	Offsetting collections (cash) from:			
88.00	Federal sources	—9	.....	.....
88.40	Non-Federal sources	—116	—120	—123
88.90	Total, offsetting collections (cash)	—125	—120	—123
	Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	—17	.....	.....
88.96	Portion of offsetting collections (cash) credited to expired accounts	21	.....	.....
	Net budget authority and outlays:			
89.00	Budget authority	774	817	711
90.00	Outlays	760	819	717

The primary objectives of the Food Safety and Inspection Service (FSIS) are to ensure that meat, poultry, shell egg, and egg products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act. Providing adequate resources for Federal food safety agencies is a priority of the Administration, and the 2006 Budget proposes a \$33 million increase for inspection of meat, poultry, shell egg and egg products. This increase will cover pay cost increases for Federal and State inspection programs, and initiatives for: food and agriculture defense and workforce training.

FEDERALLY FUNDED INSPECTION ACTIVITIES

	2004 actual	2005 est.	2006 est.
Federally inspected establishments:			
Slaughter plants	112	110	108
Processing plants	4,049	4,039	4,035
Combination slaughter and processing plants	923	915	912
Talmadge-Aiken plants	364	360	358
Import establishments	135	132	130
Egg plants	70	69	68
Other plants	632	625	617
Federally inspected and passed production (millions of pounds):			
Meat slaughter	43,611	44,000	44,000

Poultry slaughter	52,790	54,000	55,000
Egg products	4,000	4,000	4,000
Import/export activity (millions of pounds):			
Meat and poultry imported	4,202	4,202	4,202
Meat and poultry exported	8,144	9,000	9,200
Inspection Review:			
Food safety assessments	1,829	1,875	1,950
In-depth verification reviews	5	9	15
States and territories with cooperative programs:^a			
Intrastate inspection	28	28	28
Talmadge-Aiken inspection	9	9	9
Number of slaughter and/or processing plants (excludes exempt plants)	2,100	2,100	2,100
Pounds inspected slaughter (millions)	500	500	500
Compliance activities:			
Corrective action reviews	15,763	17,415	21,285
Corrective actions completed	340	378	462
Product Testing (samples analyzed):			
Food chemistry	1,904	1,900	1,900
Food microbiology	86,616	102,000	107,000
Chemical residues	32,527	33,000	33,000
Antibiotic residues	159,826	160,000	160,000
Pathology samples	4,977	5,000	5,000
Egg Products:			
Food microbiology	1,705	1,700	1,700
Chemical residues	1,716	1,700	1,700
Consumer Education and public outreach:			
Meat and poultry hotline calls received	104,070	109,274	114,738
Website visits	11,190,458	12,000,000	12,900,000
Electronic messages received	14,160	14,900	15,600
Publications distributed	948,000	998,700	1,051,600
Personal contacts (meetings, workshops, etc.)	35,399	40,400	46,300
E-mail alert service subscribers	1,119	17,000	25,000
Epidemiological Investigations:			
Cooperative efforts with State and public health offices	66	66	66
Illnesses reported and treated ^b	1,689	1,689	1,689
Field Automation and Information Management Project:			
Number of computers to be provided to federal field inspection staff	917	1,300	1,200
Number of computers to be provided to state field inspection staff	573	300	100

^a States with cooperative agreements which are operating programs.^b Data must be collected over a number of years to chart national trends and estimate the incidence of foodborne illness and treatment.**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	2004 actual	2005 est.	2006 est.
Budget Authority	774	817	711
Outlays	759	819	717
Legislative proposal, not subject to PAYGO:			
Budget Authority .....	.....	.....	139
Outlays .....	.....	.....	139
Total:			
Budget Authority	774	817	850
Outlays	759	819	856

Performance Metrics

Identification code 12-3700-0-1-554	2004 actual	2005 est.	2006 est.
Food Safety and Inspection Service:			
44601 Reduction in the prevalence of foodborne illness from meat, poultry and egg productsIn 1997 there were 76 million illnesses related to foodborne hazards. ....	.....	25%	.....
44602 The prevalence of Salmonella on raw meat and poultry products as illustrated by: Prevalence of Salmonella on broiler chickens (%)	11.7%	11.7%	11.7%
44603 Percentage of ready-to-eat meat and poultry products testing positive for Listeria monocytogenes(Listeria is a common bacteria that when ingested can cause flu-like symptoms. The .....	.....	0.8	0.8

Object Classification (in millions of dollars)

Identification code 12-3700-0-1-554	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	437	456	389
11.3 Other than full-time permanent	15	17	14
11.5 Other personnel compensation	22	23	20
11.9 Total personnel compensation	474	496	423
12.1 Civilian personnel benefits	151	160	140
13.0 Benefits for former personnel	1	1	1

21.0	Travel and transportation of persons	31	36	31
22.0	Transportation of things	5	5	5
23.1	Rental payments to GSA	1	1	1
23.2	Rental payments to others	1	2	2
23.3	Communications, utilities, and miscellaneous charges	10	4	3
24.0	Printing and reproduction	1	1	1
25.1	Advisory and assistance services	2	2	2
25.2	Other services	19	22	17
25.3	Other purchases of goods and services from Government accounts	18	23	18
25.4	Operation and maintenance of facilities	1	1	1
25.5	Research and development contracts		2	2
25.7	Operation and maintenance of equipment	1		
26.0	Supplies and materials	11	13	11
31.0	Equipment	14	6	5
41.0	Grants, subsidies, and contributions	43	44	45
42.0	Insurance claims and indemnities	1		
99.0	Direct obligations	785	819	708
99.0	Reimbursable obligations	128	120	123
99.5	Below reporting threshold	1	1	3
99.9	Total new obligations	914	940	834

Personnel Summary

Identification code 12-3700-0-1-554		2004 actual	2005 est.	2006 est.
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	9,237	9,490	7,512
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment	232	236	236

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

In addition, such sums as may be deposited to the Food Safety Inspection User Fee Account may be transferred to this account, to be merged with and available for the same purposes as this account, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 12-3700-2-1-554		2004 actual	2005 est.	2006 est.
Obligations by program activity:				
00.01	Direct program			139
10.00	Total new obligations			139
Budgetary resources available for obligation:				
22.00	New budget authority (gross)			139
23.95	Total new obligations			–139
New budget authority (gross), detail:				
40.20	Discretionary: Appropriation (special fund)			139
Change in obligated balances:				
73.10	Total new obligations			139
73.20	Total outlays (gross)			–139
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority			139
Net budget authority and outlays:				
89.00	Budget authority			139
90.00	Outlays			139

Legislation will be proposed to charge user fees to reimburse all inspection beyond a primary 8 hour shift at all establishments inspected by the Food Safety and Inspection Service (FSIS). Currently, fees to reimburse the cost of overtime inspection required at some FSIS inspected establishments, but not at others. The Federal Government would continue to pay the full costs for a primary, eight hour inspection shift.

Object Classification (in millions of dollars)			
Identification code 12-3700-2-1-554	2004 actual	2005 est.	2006 est.
Personnel compensation:			
11.1 Full-time permanent			81
11.3 Other than full-time permanent			3
11.5 Other personnel compensation			3
11.9 Total personnel compensation			87
12.1 Civilian personnel benefits			24
21.0 Travel and transportation of persons			6
23.3 Communications, utilities, and miscellaneous charges			2
25.2 Other services			10
25.3 Other purchases of goods and services from Government accounts			4
26.0 Supplies and materials			3
31.0 Equipment			3
99.9 Total new obligations			139

Personnel Summary

Identification code 12-3700-2-1-554	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			2,000

Trust Funds**EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS****Unavailable Receipts** (in millions of dollars)

Identification code 12-8137-0-7-352	2004 actual	2005 est.	2006 est.
Receipts:			
02.20 Deposits of fees, inspection and grading of farm products, Food	3	3	3
05.00 Appropriations: Expenses and refunds, inspection and grading of farm products	–3	–3	–3
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8137-0-7-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	4	4	3
10.00 Total new obligations	4	4	3
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	1	
22.00 New budget authority (gross)	3	3	3
23.90 Total budgetary resources available for obligation	5	4	3
23.95 Total new obligations	–4	–4	–3
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
60.26 Discretionary: Appropriation (trust fund)	3	3	3
Change in obligated balances:			
72.40 Obligated balance, start of year	1		1
73.10 Total new obligations	4	4	3
73.20 Total outlays (gross)	–4	–3	–3
74.40 Obligated balance, end of year	1	1	1
Outlays (gross), detail:			
86.97 Outlays from new discretionary authority	3	3	3
86.98 Outlays from mandatory balances	1		
87.00 Total outlays (gross)	4	3	3
Net budget authority and outlays:			
89.00 Budget authority	3	3	3

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-8137-0-7-352	2004 actual	2005 est.	2006 est.
90.00 Outlays	4	3	3

Performance Metrics

Identification code 12-8137-0-7-352	2004 actual	2005 est.	2006 est.
Food Safety and Inspection Service:			
44601 Reduction in the prevalence of foodborne illness from meat, poultry and egg products in 1997 there were 76 million illnesses related to foodborne hazards.	25%	.....	.....
44602 The prevalence of Salmonella on raw meat and poultry products as illustrated by: Prevalence of Salmonella on broiler chickens (%)	11.7%	11.7%	11.7%
44603 Percentage of ready-to-eat meat and poultry products testing positive for Listeria monocytogenes (Listeria is a common bacteria that when ingested can cause flu-like symptoms. The	0.8	0.8	.....

Under authority of the Agricultural Marketing Act of 1946, Federal meat and poultry inspection services are provided upon request and for a fee in cases where inspection is not mandated by statute. This service includes: certifying products for export beyond the requirements of export certificates; inspecting certain animals and poultry intended for human food where inspection is not required by statute, such as buffalo, rabbit, and quail; and inspecting products intended for animal consumption.

Object Classification (in millions of dollars)

Identification code 12-8137-0-7-352	2004 actual	2005 est.	2006 est.
Personnel compensation:			
11.1 Full-time permanent	2	2	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	3	3	2
12.1 Civilian personnel benefits	1	1	1
99.9 Total new obligations	4	4	3

Personnel Summary

Identification code 12-8137-0-7-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	34	35	35

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, [\$37,299,000] \$15,717,000: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building. (7 U.S.C. 71, 74-79, 84-87, 181-229, 1621-27; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Unavailable Receipts (in millions of dollars)

Identification code 12-2400-0-1-352	2004 actual	2005 est.	2006 est.
Receipts:			
02.20 Fees, Grain inspection, packers and stockyards user fee account	25
Appropriations:			
05.01 Salaries and expenses	—25
07.99 Balance, end of year

Program and Financing (in millions of dollars)

Identification code 12-2400-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Standardization	4	4	.....
00.02 Compliance	5	6	7
00.03 Methods development	7	7	8
00.04 Packers and stockyards program	23	20	.....
10.00 Total new obligations	39	37	15

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	4	.....	.....
22.00 New budget authority (gross)	36	37	15
23.90 Total budgetary resources available for obligation	40	37	15
23.95 Total new obligations	—39	—37	—15
23.98 Unobligated balance expiring or withdrawn	—1	.....	.....
24.40 Unobligated balance carried forward, end of year

New budget authority (gross), detail:

40.00 Discretionary:	36	37	15
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Change in obligated balances:

72.40 Obligated balance, start of year	6	10	10
73.10 Total new obligations	39	37	15
73.20 Total outlays (gross)	—35	—37	—18
73.40 Adjustments in expired accounts (net)	—1	.....	.....
74.40 Obligated balance, end of year	10	10	7

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	30	31	12
86.93 Outlays from discretionary balances	5	6	6
87.00 Total outlays (gross)	35	37	18

Net budget authority and outlays:

89.00 Budget authority	36	37	15
90.00 Outlays	35	37	18

Summary of Budget Authority and Outlays

	(in millions of dollars)		
	2004 actual	2005 est.	2006 est.
Enacted/requested:			
Budget Authority	36	37	15
Outlays	35	37	18
Legislative proposal, not subject to PAYGO:			
Budget Authority .....	.....	.....	25
Outlays .....	.....	.....	25
Total:			
Budget Authority	36	37	40
Outlays	35	37	43

The Grain Inspection, Packers and Stockyards Administration (GIPSA) establishes official United States standards for grain, promotes the uniform application thereof by official inspection personnel, provides for an official inspection system for grain, and regulates the weighing and certification of the weight of grain shipped in interstate or foreign commerce as authorized by the U.S. Grain Standards Act (USGSA), as amended, and the regulations thereof, and the Agricultural Marketing Act of 1946 (AMA).

Standardization activities include establishing and updating U.S. grain standards, research, and developing and improving methods to ensure the accurate and uniform application of the standards.

The compliance activities ensure the accurate and uniform application of the USGSA and applicable provisions of the AMA. The compliance program functions include: (1) evaluating alleged violations and initiating preliminary investigations; (2) initiating the implementation of corrective actions; (3) conducting management and technical reviews; (4) administering the designations and delegations of State and private agencies to perform official functions and monitoring the performance of the agencies; (5) identifying and, where appropriate, waiving and monitoring conflicts of interest; (6) licensing personnel of delegated States and designated agencies; (7) registering persons/firms engaged in the business of buying grain for sale in foreign commerce, and in the business of handling, weighing, or transporting of grain for sale in foreign commerce; (8) responding to audits of Grain Inspection programs; and (9) reviewing and, when appropriate, approving official agencies' fee schedules.

The Office of International Affairs briefs foreign buyers, assesses foreign inspection and weighing techniques, and responds to foreign quality and quantity complaints.

An advisory committee consisting of members from the grain industry exists to advise the Agency regarding efficient and economical implementation of the USGSA.

The Grain Quality Improvement Act of 1986 was enacted on November 10, 1986, to improve the quality of U.S. grain by prohibiting the introduction and reintroduction of dockage and foreign material to grain.

The goal of the Packers and Stockyards program is to ensure the integrity of the livestock, meat, and poultry markets and the marketplace in order to protect producers against unfair, deceptive, or discriminatory practices as well as those that are predatory or monopolistic in nature. Consumers and members of the livestock, poultry, and meat industries are also protected against unfair business practices in the marketing of livestock, meat and poultry, and from restrictions on competition which could unduly affect prices. The Agency also carries out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering "central filing systems" established by States for pre-notification of security interests against farm products.

MAIN WORKLOAD FACTORS

	2004 actual	2005 est.	2006 est.
U.S. standards in effect at end of year	19	19	19
Standards reviews in progress	3	3	3
Standards reviews completed	3	3	3
Inspection techniques developed	92	40	40
On-site investigations	5	4	4
Designations renewed	18	20	18
Registration certificates issued	103	105	105
Investigations	1,923	1,550	1,600
Market agencies/dealers registered	5,679	5,700	5,700
Stockyards posted	1,423	1,425	1,425
Slaughtering and processing packers subject to the Act (estimated)	6,000	6,000	6,000
Distributors, brokers, and dealers subject to the Act (estimated)	6,800	6,800	6,800
Poultry operations subject to the Act	202	202	202

Object Classification (in millions of dollars)

	2004 actual	2005 est.	2006 est.
Identification code 12-2400-0-1-352			
11.1 Personnel compensation: Full-time permanent	21	22	8
12.1 Civilian personnel benefits	5	5	2
21.0 Travel and transportation of persons	1	1	.....
23.3 Communications, utilities, and miscellaneous charges	1	1	.....
25.2 Other services	9	5	3
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	2	1
99.9 Total new obligations	39	37	15

Personnel Summary

Identification code 12-2400-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	318	338	123

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

In addition, such sums as may be deposited to the Grain Inspection, Packers and Stockyards Administration User Fee Account may be transferred to this account, to be merged with and available for the same purposes as this account, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 12-2400-2-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Standardization	5
00.04 Packers and stockyards program	20
10.00 Total new obligations	25
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	25
23.95 Total new obligations	-25
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)	25
Change in obligated balances:			
73.10 Total new obligations	25
73.20 Total outlays (gross)	-25
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	25
Net budget authority and outlays:			
89.00 Budget authority	25
90.00 Outlays	25

Legislation will be proposed to permit the collection of fees for grain standardization and licensing activities.

Object Classification (in millions of dollars)

Identification code 12-2400-2-1-352	2004 actual	2005 est.	2006 est.
11.1 Personnel compensation: Full-time permanent	14
12.1 Civilian personnel benefits	4
21.0 Travel and transportation of persons	1
23.3 Communications, utilities, and miscellaneous charges	1
25.2 Other services	4
31.0 Equipment	1
99.9 Total new obligations	25

Personnel Summary

Identification code 12-2400-2-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	215

Public enterprise funds:

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Not to exceed \$42,463,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: *Provided*, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation

Public enterprise funds—Continued**LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES**—Continued

may be exceeded by up to 10 percent with notification to the Committees on Appropriations of both Houses of Congress. (7 U.S.C. 71, 74–79, 84–87, 1621–27; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

Program and Financing (in millions of dollars)

Identification code 12–4050–0–3–352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
09.00 Reimbursable program	37	42	42
10.00 Total new obligations	37	42	42
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	4	4
22.00 New budget authority (gross)	37	42	42
23.90 Total budgetary resources available for obligation	41	46	46
23.95 Total new obligations	–37	–42	–42
24.40 Unobligated balance carried forward, end of year	4	4	4
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	36	42	42
69.10 Change in uncollected customer payments from Federal sources (unexpired)	1	.....	.....
69.90 Spending authority from offsetting collections (total mandatory)	37	42	42
Change in obligated balances:			
72.40 Obligated balance, start of year	–4	–1	–1
73.10 Total new obligations	37	42	42
73.20 Total outlays (gross)	–33	–42	–42
74.00 Change in uncollected customer payments from Federal sources (unexpired)	–1	.....	.....
74.40 Obligated balance, end of year	–1	–1	–1
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	33	42	42
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	–1	.....	.....
88.40 Non-Federal sources	–35	–42	–42
88.90 Total, offsetting collections (cash)	–36	–42	–42
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	–1	.....	.....
Net budget authority and outlays:			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays	–2	.....	.....

The Grain Inspection, Packers and Stockyards Administration (GIPSA) provides a uniform system for the inspection and weighing of grain. Services provided under this system are financed through a fee supported revolving fund. This authority has been extended through September 2005.

Fee supported programs include direct services, supervision activities and administrative functions. Direct services include official grain inspection and weighing by GIPSA employees at certain export ports as well as the inspection of U.S. grain shipped through Canada. The Agency supervises the inspection and weighing activities performed by its own employees. The Agency also oversees the inspection and weighing of grain performed by employees of 7 delegated States and 49 designated State and private agencies. The Agency provides an appeal service of original grain inspections and a registration system for grain exporting firms. Through support from the Association of American Railroads and user fees, GIPSA conducts a railroad track scale testing program. In addition, the

agency provides grading services, on request, for rice and grain related products under the authority of the Agricultural Marketing Act of 1946 (AMA).

	2004 actual	2005 est.	2006 est.
Export grain inspected and/or weighed (million metric tons):			
By Federal personnel	76.2	80.5	84.3
By delegated States	29.5	31.1	32.6
Quantity of grain inspected (all official inspections) domestically (million metric tons)	124.6	134.3	133.2
Number of inspections and reinspections:			
By Federal personnel	100,996	107,000	112,000
By delegated state/official agency licenses	1,688,141	1,779,000	1,865,000
Number of appeals	3,556	3,600	3,600
Number of appeals carried to the Board of Appeals and Review	602	600	600
Quantity of rice inspected (million metric tons)	2.5	2.7	2.7
Quantity of rice exports (million metric tons)	3.3	3.3	3.3

Object Classification (in millions of dollars)

Identification code 12–4050–0–3–352	2004 actual	2005 est.	2006 est.
Personnel compensation:			
11.1 Full-time permanent	19	22	22
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	6	6	6
11.9 Total personnel compensation	26	29	29
12.1 Civilian personnel benefits	4	6	6
21.0 Travel and transportation of persons	1	1	1
23.1 Rental payments to GSA	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	3	3	3
26.0 Supplies and materials	1	1	1
99.9 Total new obligations	37	42	42

Personnel Summary

Identification code 12–4050–0–3–352	2004 actual	2005 est.	2006 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	372	387	387

AGRICULTURAL MARKETING SERVICE**Federal Funds****General and special funds:****MARKETING SERVICES**

For necessary expenses to carry out services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States, [\$75,698,000] \$84,114,000, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701). (7 U.S.C. 91–99, 136l–136l, 138–138l, 291–292, 415b–415d, 471–476, 501–508, 581–599, 951–957, 1031–1056, 1291, 1551–56, 1621–27, 2204(b)(c), 4401–06, 6501–22; 15 U.S.C. 714–714p; 21 U.S.C. 1031–56; 26 U.S.C. 6804, 7233, 7263, 7492–93, 7701; 49 U.S.C. 1653; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed [\$64,459,000] \$65,667,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: *Provided*, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Committees on Appropriations of both Houses of Congress. (*Agriculture, Rural Development, Food*

and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Unavailable Receipts (in millions of dollars)			
Identification code 12-2500-0-1-352	2004 actual	2005 est.	2006 est.
Receipts:			
02.01 Fees, Agriculture marketing service standardization user fee acc	3
Appropriations:			
05.01 Marketing services	-3
07.99 Balance, end of year

Program and Financing (in millions of dollars)			
Identification code 12-2500-0-1-352	2004 actual	2005 est.	2006 est.

Obligations by program activity:			
Direct program:			
00.01 Market news service	30	31	32
00.02 Inspection and standardization	7	7	4
00.03 Market protection and promotion	32	31	42
00.04 Wholesale market development	3	3	3
00.05 Transportation services	3	3	3
09.01 Reimbursable program	47	67	69
10.00 Total new obligations	122	142	153

Budgetary resources available for obligation:			
Unobligated balance carried forward, start of year	2004	2005	2006
21.40 Unobligated balance carried forward, start of year	26	25	25
22.00 New budget authority (gross)	122	142	153
23.90 Total budgetary resources available for obligation	148	167	178
23.95 Total new obligations	-122	-142	-153
23.98 Unobligated balance expiring or withdrawn	-1	.....	.....
24.40 Unobligated balance carried forward, end of year	25	25	25

New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	75	75	84
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	47	67	69
70.00 Total new budget authority (gross)	122	142	153

Change in obligated balances:			
Obligated balance, start of year	2004	2005	2006
72.40 Obligated balance, start of year	18	19	20
73.10 Total new obligations	122	142	153
73.20 Total outlays (gross)	-123	-142	-152
73.40 Adjustments in expired accounts (net) .....	.....	2	2
74.10 Change in uncollected customer payments from Federal sources (expired)	2	-1	-1
74.40 Obligated balance, end of year	19	20	22

Outlays (gross), detail:			
Outlays from new discretionary authority	2004	2005	2006
86.90 Outlays from new discretionary authority	117	133	143
86.93 Outlays from discretionary balances	6	9	9
87.00 Total outlays (gross)	123	142	152

Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	-67	-69
88.40 Non-Federal sources	-46	.....	.....
88.90 Total, offsetting collections (cash)	-47	-67	-69

Net budget authority and outlays:			
Budget authority	2004	2005	2006
89.00 Budget authority	75	75	84
90.00 Outlays	74	75	83

Memorandum (non-add) entries:			
Total investments, start of year: Federal securities:			
92.01 Par value .....	.....	.....	.....

Summary of Budget Authority and Outlays			
(in millions of dollars)	2004 actual	2005 est.	2006 est.
Enacted/requested: Budget Authority	75	75	84

Outlays	76	75	83
Legislative proposal, not subject to PAYGO:			
Budget Authority .....	.....	.....	3
Outlays			
Total:			
Budget Authority	75	75	87
Outlays	76	75	86

Agricultural Marketing Service activities assist producers and handlers of agricultural commodities by providing a variety of marketing services. These services continue to become more complex as the volume of agricultural commodities increases, as a greater number of new processed commodities are developed, and as the agricultural market structure undergoes extensive changes. Marketing changes include increased concentration in food retailing, direct buying, decentralization of processing, growth of interregional competition, vertical integration, and contract farming.

The individual Marketing Services activities include:

Market news service.—The market news program provides the agricultural community with information pertaining to the movement of agricultural products. This nationwide service provides daily reports on the supply, demand, and price of over 700 commodities on domestic and foreign markets.

Inspection, grading and standardization.—Nationally uniform standards of quality for agricultural products are established and applied to specific lots of products to: promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; and encourage better preparation of uniform quality products for market. Grading services are provided for cotton and domestic and imported tobacco.

Quarterly inspection of egg handlers and hatcheries is conducted to ensure the proper disposition of shell eggs unfit for human consumption.

MARKET NEWS PROGRAM

Percentage of reports released on time	2004 actual	2005 est.	2006 est.
95%	95%	96%	97%

COTTON AND TOBACCO USER FEE PROGRAM

	2004 actual	2005 est.	2006 est.
Cotton classed (samples in millions)	18.3	20.2	17.7
Tobacco graded at auction markets and contract delivery stations (million pounds)	776	348	0
Imported tobacco inspected at markets and ports of entry (million kilograms)	340	60	60

FEDERALLY FUNDED INSPECTION AND PROCUREMENT ACTIVITIES

	2004 actual	2005 est.	2006 est.
States and Commonwealths with cooperative agreements	39	39	39
Percentage of noncomplying shell egg lots that are reprocessed or diverted	100%	100%	100%

STANDARDIZATION ACTIVITIES

	2004 actual	2005 est.	2006 est.
International and U.S. standards in effect, end of fiscal year	343	345	346
Number of commodities covered	146	148	148

Market protection and promotion.—This program consists of: (1) the research and promotion programs which are designed to improve the competitive position and expand markets for cotton, eggs and egg products, honey, pork, beef, dairy products, potatoes, watermelons, mushrooms, soybeans, fluid milk, popcorn, blueberries, avocado, lamb, and peanut; (2) the Federal Seed Act; and (3) the administration of the Capper-Volstead Act and the Agricultural Fair Practices Act.

The pesticide recordkeeping program monitors compliance of private certified applicators with Federal regulations requiring them to keep records of restricted pesticides used in agricultural production.

General and special funds—Continued

MARKETING SERVICES—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES—Continued

The pesticide data program develops comprehensive, statistically defensible information on pesticide residues in food to improve government dietary risk procedures.

Federal seed inspectors conduct tests on seed samples to help ensure truthful labeling of agricultural and vegetable seeds sold in interstate commerce.

The Capper-Volstead Act and the Agricultural Fair Practices Act protect producers against discriminatory practices by handlers, permit producers to engage in cooperative efforts, and ensure that such cooperatives do not engage in practices that monopolize or restrain trade.

The national organic program certifies that organically produced food products meet national standards.

MARKET PROTECTION AND PROMOTION ACTIVITIES

	2004 actual	2005 est.	2006 est.
Pesticide data program:			
Number of analyses performed	122,693	80,000	80,000
Percentage of sampling and analysis goal	153%	100%	100%
Pesticide recordkeeping:			
Number of State/Federal Inspections conducted	4,883	3,700	3,800
Percentage of sampling goal attained	100%	100%	100%
Seed Act:			
Interstate investigations:			
Completed	904	750	750
Pending	485	425	425
Seed samples tested	1,855	2,000	2,000
Percentage of cases submitted that are completed	142%	100%	100%
Plant Variety Protection Act:			
Percentage of application processing goal completed	100%	100%	100%
Number of applications received	328	250	250
Certificates of protection issued	421	325	325
Research and promotion collections (dollars in millions)	455	447	452
Percentage of board budgets and marketing plans approved within time frame goal	93%	93%	93%

Wholesale market development.—This program is designed to enhance the marketing of agricultural commodities in the United States by conducting research into more efficient marketing methods for agricultural commodities and by providing technical assistance to urban areas interested in improving their food distribution facilities.

Transportation Services.—The activities are designed to ensure that the Nation's transportation systems will adequately serve the needs of agriculture and rural areas of the United States.

WHOLESALE MARKET DEVELOPMENT ACTIVITIES

	2004 actual	2005 est.	2006 est.
Number of projects completed	10	10	10

TRANSPORTATION SERVICES ACTIVITIES

	2004 actual	2005 est.	2006 est.
Number of projects completed	8	9	9

Object Classification (in millions of dollars)

Identification code 12-2500-0-1-352	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	29	35	32
11.3 Other than full-time permanent	2	1	3
11.9 Total personnel compensation	31	36	35
12.1 Civilian personnel benefits	8	10	10
21.0 Travel and transportation of persons	2	1	2
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	2	1	1
25.2 Other services	6	5	16
25.3 Other purchases of goods and services from Government accounts	20	17	16
25.7 Operation and maintenance of equipment	1	1	.....
26.0 Supplies and materials	1	1	1
31.0 Equipment	3	2	2

99.0 Direct obligations	75	75	84
99.0 Reimbursable obligations	47	67	69
99.9 Total new obligations	122	142	153

Personnel Summary

Identification code 12-2500-0-1-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	522	534	523
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	566	626	626

MARKETING SERVICES

(Legislative proposal, not subject to PAYGO)

In addition, such sums as may be deposited to the Agriculture Marketing Service Standardization User Fee Account may be transferred to this account, to be merged with and available for the same purposes as this account, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 12-2500-2-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
Direct program:			
00.02 Inspection and standardization	3
10.00 Total new obligations	3
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3
23.95 Total new obligations	-3

New budget authority (gross), detail:

Discretionary:			
40.20 Appropriation (special fund) .....	.....	.....	3

Change in obligated balances:

72.40 Obligated balance, start of year .....	.....	.....	.....
73.10 Total new obligations .....	.....	.....	3
73.20 Total outlays (gross) .....	.....	.....	-3
74.40 Obligated balance, end of year

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	3
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Net budget authority and outlays:			
89.00 Budget authority	3
90.00 Outlays	3

Legislation will be proposed to permit the collection of fees for standardization activities.

Object Classification (in millions of dollars)

Identification code 12-2500-2-1-352	2004 actual	2005 est.	2006 est.
25.2 Other services	2
31.0 Equipment	1
99.9 Total new obligations	3

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), [\$3,847,000, of which not less than \$2,500,000 shall be used to make a grant under this heading] \$1,347,000. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)			
Identification code 12-2501-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	3	10	1
10.00 Total new obligations (object class 41.0)	3	10	1
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3	10	1
23.95 Total new obligations	−3	−10	−1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3	10	1
Change in obligated balances:			
72.40 Obligated balance, start of year	2	5	8
73.10 Total new obligations	3	10	1
73.20 Total outlays (gross)	−1	−7	−7
74.40 Obligated balance, end of year	5	8	2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	.....	.....
86.93 Outlays from discretionary balances	1	4	7
87.00 Total outlays (gross)	1	7	7
Net budget authority and outlays:			
89.00 Budget authority	3	10	1
90.00 Outlays	1	7	7

Grants are made on a matching fund basis to State departments of agriculture to carry out specifically approved programs designed to enhance marketing efficiency. Under this activity, specialists work with farmers, marketing firms, and other agencies in solving marketing problems and in using research results.

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

Unavailable Receipts (in millions of dollars)			
Identification code 12-5070-0-2-352	2004 actual	2005 est.	2006 est.
Receipts:			
02.00 Deposits, Perishable Agricultural Commodities Act fund	7	8	8
Appropriations:			
05.00 Perishable Agricultural Commodities Act fund	−7	−8	−8
07.99 Balance, end of year .....	.....	.....	.....

Program and Financing (in millions of dollars)

Identification code 12-5070-0-2-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	10	9	10
10.00 Total new obligations	10	9	10
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	27	24	23
22.00 New budget authority (gross)	7	8	8
23.90 Total budgetary resources available for obligation	34	32	31
23.95 Total new obligations	−10	−9	−10
24.40 Unobligated balance carried forward, end of year	24	23	21
New budget authority (gross), detail:			
Mandatory:			
60.20 Appropriation (special fund)	7	8	8
Change in obligated balances:			
72.40 Obligated balance, start of year	2	3	4
73.10 Total new obligations	10	9	10

73.20 Total outlays (gross)	−9	−8	−8
74.40 Obligated balance, end of year	3	4	6
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	7	8	8
86.98 Outlays from mandatory balances	2	.....	.....
87.00 Total outlays (gross)	9	8	8
Net budget authority and outlays:			
89.00 Budget authority	7	8	8
90.00 Outlays	9	8	8

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:	.....	.....	.....
Par value .....	.....	.....	.....

License fees are deposited in this special fund and are used to meet the costs of administering the Perishable Agricultural Commodities and the Produce Agency Acts (7 U.S.C. 491–497, 499a–499s).

The Acts are intended to ensure equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (a) informal agreements between the two parties, (b) formal decisions involving payment of reparation awards, and/or (c) suspension or revocation of license and/or publication of the facts. Beginning October 1, 1994, an additional fee was instituted for the filing of formal and informal complaints of violations of the Act. The November 1995 amendments to the Perishable Agricultural Commodities Act: (1) increased the license fee and phased out fees for wholesale grocers and retailers by 1999; (2) provided permanent authority to the Secretary of Agriculture to set license and reparation complaint filing fees; and (3) repealed the 25 percent maximum funding reserve cap.

A 1984 amendment to the Perishable Agricultural Commodities Act requires traders to have trust assets on hand to meet their obligations to fruit and vegetable suppliers. To preserve their trust and establish their rights ahead of other creditors, unpaid suppliers file notice with both the Department and their debtors that payment is due.

PERISHABLE AGRICULTURAL COMMODITIES ACT ACTIVITIES

Percentage of informal reparation complaints completed within time frame goal	2004 actual	2005 est.	2006 est.
94%	85%	85%	.....

Object Classification (in millions of dollars)

Identification code 12-5070-0-2-352	2004 actual	2005 est.	2006 est.
11.1 Personnel compensation: Full-time permanent	6	6	7
12.1 Civilian personnel benefits	2	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.3 Other purchases of goods and services from Government accounts	2	1	1
33.0 Investments and loans	−1	.....	.....
99.9 Total new obligations	10	9	10

Personnel Summary

Identification code 12-5070-0-2-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	90	95	95

General and special funds—Continued**FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY
(SECTION 32)**

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than [\$15,800,000] \$16,055,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937 and the Agricultural Act of 1961. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

Unavailable Receipts (in millions of dollars)

Identification code 12-5209-0-2-605	2004 actual	2005 est.	2006 est.
01.99 Balance, start of year	10,348	10,724	11,593
Receipts:			
02.00 30 percent of customs duties, funds for strengthening markets, i	6,303	6,920	8,015
02.40 General fund payment, Funds for strengthening markets, income, a		1	1
02.99 Total receipts and collections	6,303	6,921	8,016
04.00 Total: Balances and collections	16,651	17,645	19,609
Appropriations:			
05.00 Funds for strengthening markets, income, and supply (section 32)	—5,927	—6,052	—6,339
07.99 Balance, end of year	10,724	11,593	13,270

Program and Financing (in millions of dollars)

Identification code 12-5209-0-2-605	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
Direct program:			
Commodity program payments:			
00.01 Child nutrition program purchases	400	400	400
00.02 Emergency surplus removal	227	301	416
00.04 State option contract		5	5
00.05 Removal of defective commodities		1	1
00.06 Disaster Relief	9		
00.07 Direct Payments, Hurricane Relief	219	422	
00.08 Deobligations of Prior Year Obligations	—6		
00.91 Subtotal, Commodity program payments	849	1,129	822
01.01 Administrative expenses	25	27	28
01.92 Total direct program	874	1,156	850
09.11 Reimbursable program	1	1	1
10.00 Total new obligations	875	1,157	851
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	134	408	
22.00 New budget authority (gross)	1,148	749	1,150
23.90 Total budgetary resources available for obligation	1,282	1,157	1,150
23.95 Total new obligations	—875	—1,157	—851
24.40 Unobligated balance carried forward, end of year	408		299

New budget authority (gross), detail:

Mandatory:			
60.20 Appropriation (special fund)	5,927	6,052	6,339
60.36 Unobligated balance permanently reduced		—163	
61.00 Transferred to other accounts	—4,780	—5,231	—5,190
62.00 Transferred from other accounts		90	
62.50 Appropriation (total mandatory)	1,147	748	1,149
69.00 Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	1,148	749	1,150

Change in obligated balances:

72.40 Obligated balance, start of year	41	45	45
73.10 Total new obligations	875	1,157	851

73.20 Total outlays (gross)	—871	—1,157	—850
74.40 Obligated balance, end of year	45	45	46
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	695	704	405
86.98 Outlays from mandatory balances	176	453	445
87.00 Total outlays (gross)	871	1,157	850
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	—1	—1	—1
Net budget authority and outlays:			
89.00 Budget authority	1,147	748	1,149
90.00 Outlays	871	1,156	849

Under section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each calendar year is automatically appropriated for expanding outlets for perishable, non-price supported commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Most of the funds are transferred to the Food and Nutrition Service and are used to purchase commodities under section 6 of the National School Lunch Act and other authorities specified in the child nutrition appropriation. If unforeseen commodity surpluses should develop, unobligated reserve balances are available for surplus removal.

Object Classification (in millions of dollars)

Identification code 12-5209-0-2-605	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	12	13	15
12.1 Civilian personnel benefits	3	4	4
21.0 Travel and transportation of persons	1	1	1
22.0 Transportation of things	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	4	4	4
25.3 Other purchases of goods and services from Government accounts	2	2	2
25.7 Operation and maintenance of equipment	1	1	1
26.0 Supplies and materials: Grants of commodities to States	849	1,128	820
31.0 Equipment		1	1
99.0 Direct obligations	874	1,156	850
99.0 Reimbursable obligations	1	1	1
99.9 Total new obligations	875	1,157	851

Personnel Summary

Identification code 12-5209-0-2-605	2004 actual	2005 est.	2006 est.
Direct:			
100.1 Total compensable workyears: Civilian full-time equivalent employment	158	179	179
Reimbursable:			
200.1 Total compensable workyears: Civilian full-time equivalent employment	13	13	13

Trust Funds

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS

Unavailable Receipts (in millions of dollars)

Identification code 12-8015-0-7-352	2004 actual	2005 est.	2006 est.
01.99 Balance, start of year	4	3	3
Receipts:			
02.20 Deposits of fees, inspection and grading of farm products, AMS	124	118	121
02.40 Payments from general fund, Wool research, development, and promotion	2	2	2

02.99	Total receipts and collections	126	120	123
04.00	Total: Balances and collections	130	123	126
Appropriations:				
05.00	Expenses and refunds, inspection and grading of farm products	—127	—120	—123
07.99	Balance, end of year	3	3	3

Program and Financing (in millions of dollars)

Identification code 12-8015-0-7-352	2004 actual	2005 est.	2006 est.
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Obligations by program activity:

00.01	Dairy products	6	6	6
00.02	Fruits and vegetables	56	54	54
00.03	Meat grading	24	23	23
00.04	Poultry products	29	25	28
00.05	Miscellaneous agricultural commodities	12	12	12
10.00	Total new obligations	127	120	123

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	51	51	52
22.00	New budget authority (gross)	127	121	124
23.90	Total budgetary resources available for obligation	178	172	176
23.95	Total new obligations	—127	—120	—123
24.40	Unobligated balance carried forward, end of year	51	52	53

New budget authority (gross), detail:

Mandatory:				
60.26	Appropriation (trust fund)	127	120	123
62.00	Transferred from other accounts	1	1	1
62.50	Appropriation (total mandatory)	127	121	124

Change in obligated balances:

72.40	Obligated balance, start of year	17	15	14
73.10	Total new obligations	127	120	123
73.20	Total outlays (gross)	—129	—121	—128

74.40	Obligated balance, end of year	15	14	9
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Outlays (gross), detail:

86.97	Outlays from new mandatory authority	127	116	119
86.98	Outlays from mandatory balances	2	5	9
87.00	Total outlays (gross)	129	121	128

Net budget authority and outlays:

89.00	Budget authority	127	121	124
90.00	Outlays	129	121	128

Memorandum (non-add) entries:

92.01	Total investments, start of year: Federal securities:			
	Par value			

Expenses and refunds, inspection and grading of farm products.—The commodity grading programs provide grading, examination, and certification services for a wide variety of fresh and processed food commodities using federally approved grade standards and purchase specifications. Commodities graded include poultry, livestock, meat, dairy products, and fresh and processed fruits and vegetables. These programs use official grade standards which reflect the relative quality of a particular food commodity based on laboratory testing and characteristics such as taste, color, weight, and physical condition. Producers voluntarily request grading and certification services which are provided on a fee for service basis.

WORKLOAD INDICATORS

	2004 actual	2005 est.	2006 est.
Weighted average cost per cwt. (1990 index)	\$0.08	\$0.08	\$0.08

Object Classification (in millions of dollars)				
Identification code 12-8015-0-7-352	2004 actual	2005 est.	2006 est.	
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent	66	60	63	
11.3 Other than full-time permanent	6	5	5	
11.5 Other personnel compensation	10	9	9	
11.9 Total personnel compensation	82	74	77	
12.1 Civilian personnel benefits	23	17	17	
13.0 Benefits for former personnel	1	1	1	
21.0 Travel and transportation of persons	6	7	7	
22.0 Transportation of things	1			
23.2 Rental payments to others	2	2	2	
23.3 Communications, utilities, and miscellaneous charges	2	2	2	
24.0 Printing and reproduction		1	1	
25.2 Other services	12	10	10	
25.3 Other purchases of goods and services from Government accounts	3	2	2	
26.0 Supplies and materials	2	2	2	
31.0 Equipment		2	2	
41.0 Grants, subsidies, and contributions	2			
99.0 Direct obligations	136	120	123	
33.0 Allocation Account: Investments and loans	—9			
99.9 Total new obligations	127	120	123	

Personnel Summary

Identification code 12-8015-0-7-352	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,502	1,536	1,554

MILK MARKET ORDERS ASSESSMENT FUND

Program and Financing (in millions of dollars)			
Identification code 12-8412-0-8-351	2004 actual	2005 est.	2006 est.

Obligations by program activity:			
09.01 Administration	43	39	39
09.02 Marketing service	6	5	5
10.00 Total new obligations	49	44	44

Budgetary resources available for obligation:			
22.00 New budget authority (gross)	49	44	44
23.95 Total new obligations	—49	—44	—44

New budget authority (gross), detail:			
Mandatory:			

69.00 Offsetting collections (cash)	49	44	44
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Change in obligated balances:			
72.40 Obligated balance, start of year	5		
73.10 Total new obligations	49	44	44
73.20 Total outlays (gross)	—54	—44	—44

Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	49	44	44
86.98 Outlays from mandatory balances	5		

87.00 Total outlays (gross)	54	44	44
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Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	—49	—44	—44

Net budget authority and outlays:			
89.00 Budget authority	5		
90.00 Outlays	5	1	1

MILK MARKET ORDERS ASSESSMENT FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-8412-0-8-351	2004 actual	2005 est.	2006 est.
92.02 Total investments, end of year: Federal securities: Par value	1		

The Secretary of Agriculture is authorized by the Agricultural Marketing Agreement Act of 1937, as amended—under certain conditions—to issue Federal milk marketing orders establishing minimum prices which handlers are required to pay for milk purchased from producers. The Secretary has reduced the number of milk marketing orders from 31 to 11, consistent with the 1996 Farm Bill authorities.

Market administrators are appointed by the Secretary and are responsible for carrying out the terms of specific marketing orders. Their operating expenses, partly financed by assessments on regulated handlers and partly by deductions from producers, are reported in these schedules. These non-Federal funds are collected locally, deposited in local banks, and disbursed directly by the market administrator.

Expenses of local offices are met from an administrative fund and a marketing service fund, which are prescribed in each order. The administrative fund is derived from prorated handler assessments. The marketing service fund of the individual order disseminates market information to producers who are not members of a qualified cooperative. It also provides for the verification of the weights, sampling, and testing of milk from these producers. The cost of these services is borne by such producers.

The maximum rates for administrative assessment and for marketing services are set forth in each order and adjustments below these rates are made from time to time upon recommendations by the market administrator and upon approval of the Agricultural Marketing Service to provide reserves at about a 6-month operating level. Upon termination of any order, the statute provides for distributing the proceeds from net assets pro rata to contributing handlers or producers, as the case may be.

Object Classification (in millions of dollars)

Identification code 12-8412-0-8-351	2004 actual	2005 est.	2006 est.
11.1 Personnel compensation: Full-time permanent	30	28	28
12.1 Civilian personnel benefits	7	6	6
21.0 Travel and transportation of persons	3	2	2
23.2 Rental payments to others	3	3	3
23.3 Communications, utilities, and miscellaneous charges	2	2	2
25.2 Other services	1	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	2	1	1
99.9 Total new obligations	49	44	44

Personnel Summary

Identification code 12-8412-0-8-351	2004 actual	2005 est.	2006 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	472	472	472

RISK MANAGEMENT AGENCY

Federal Funds

General and special funds:

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by section 226A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933), **[\$72,044,000]** **\$87,806,000: Provided**, That not

to exceed \$1,000 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i). (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-2707-0-1-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	71	71	88
10.00 Total new obligations	71	71	88
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	71	71	88
23.95 Total new obligations	71	71	88
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	71	72	88
40.35 Appropriation permanently reduced		-1	
43.00 Appropriation (total discretionary)	71	71	88
Change in obligated balances:			
72.40 Obligated balance, start of year	19	18	20
73.10 Total new obligations	71	71	88
73.20 Total outlays (gross)	-71	-69	-83
73.40 Adjustments in expired accounts (net)	-1		
74.40 Obligated balance, end of year	18	20	25
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	52	50	62
86.93 Outlays from discretionary balances	19	19	21
87.00 Total outlays (gross)	71	69	83
Net budget authority and outlays:			
89.00 Budget authority	71	71	88
90.00 Outlays	71	69	83
This appropriation provides funding for the administrative and operating expenses of the Risk Management Agency (RMA). The Agricultural Risk Protection Act (ARPA) of 2000 significantly enhanced RMA's role in protecting the integrity of the Federal Crop Insurance program for farmers. ARPA imposed new regulatory responsibilities and expanded the scope of program compliance and monitoring activities. Accordingly, it impacted on the amount and type of information RMA collects. The budget requests additional funding and staffing to fully implement these responsibilities.			
The Federal Crop Insurance program is delivered through private insurance companies. Certain administrative expenses incurred by the companies are reimbursed through mandatory funding that is reflected in the account for the Federal Crop Insurance Fund.			
Object Classification (in millions of dollars)			
Identification code 12-2707-0-1-351	2004 actual	2005 est.	2006 est.
Personnel compensation:			
11.1 Full-time permanent	37	37	41
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	38	38	42
12.1 Civilian personnel benefits	8	8	10
21.0 Travel and transportation of persons	2	2	2
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	17	17	30
26.0 Supplies and materials	2	2	1
31.0 Equipment	2	2	1
99.9 Total new obligations	71	71	88

Personnel Summary			
Identification code 12-2707-0-1-351	2004 actual	2005 est.	2006 est.
1001 Total compensable workyears: Civilian full-time equivalent employment	520	568	585

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

Public enterprise funds:

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act (7 U.S.C. 1516), such sums as may be necessary, to remain available until expended. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

Program and Financing (in millions of dollars)			
Identification code 12-4085-0-3-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Indemnities	2,222	2,330	2,788
00.02 A&O Reimbursements	859	769	781
00.03 ARPA Obligations	82	76	74
00.04 Discretionary funding: ARPA authorized data mining	4	4	4
09.01 Reimbursable Program—Indemnities	928	1,324	1,150
10.00 Total new obligations	4,091	4,499	4,797
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,854	2,057	1,124
22.00 New budget authority (gross)	4,294	3,566	4,313
23.90 Total budgetary resources available for obligation	6,148	5,623	5,437
23.95 Total new obligations	−4,091	−4,499	−4,797
24.40 Unobligated balance carried forward, end of year	2,057	1,124	640
New budget authority (gross), detail:			
40.00 Appropriation .....	.....	.....	4
60.00 Appropriation	3,366	2,242	3,159
61.00 Transferred to other accounts	−5	−5	−5
62.00 Transferred from other accounts	5	5	5
62.50 Appropriation (total mandatory)	3,366	2,242	3,159
69.00 Offsetting collections (cash)	928	1,324	1,150
70.00 Total new budget authority (gross)	4,294	3,566	4,313
Change in obligated balances:			
72.40 Obligated balance, start of year	220	186	64
73.10 Total new obligations	4,091	4,499	4,797
73.20 Total outlays (gross)	−4,126	−4,621	−4,793
74.40 Obligated balance, end of year	186	64	68
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority .....	.....	.....	3
86.97 Outlays from new mandatory authority	2,806	3,566	3,624
86.98 Outlays from mandatory balances	1,320	1,055	1,166
87.00 Total outlays (gross)	4,126	4,621	4,793
Offsets:			
88.40 Against gross budget authority and outlays: Offsetting collections (cash) from: Non-Federal sources	−928	−1,324	−1,150

Net budget authority and outlays:			
89.00 Budget authority	3,366	2,242	3,163
90.00 Outlays	3,198	3,297	3,643

The Federal Crop Insurance Corporation (FCIC), a wholly-owned government corporation, provides multi-peril and catastrophic crop insurance protection against losses from unavoidable natural events. The Federal Crop Insurance Reform Act of 1994 (Reform Act) and the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) brought many changes to the program. With the reduced price support activities promulgated by the 1996 Act, the crop insurance program is an integral part of the broad-based safety net and includes programs involving revenue insurance, and education in the use of futures markets to manage risks.

Commercial insurance companies deliver crop insurance policies to the producer in all states. For producers who obtain Catastrophic Crop Insurance (CAT), which compensates the farmer for losses up to 50 percent of the individual's average yield at 55 percent of the expected market price, the premium is entirely subsidized. The cost to the producer for this type of coverage is an annual administrative fee of \$100 per crop per county.

Additional coverage is available to producers who wish to insure crops above the 50 percent coverage level/55 percent price level. Policyholders can elect to be paid up to 100 percent of the market price established by FCIC for each unit of production their actual yield is less than the individual yield guarantee. Premium rates for additional coverage depend on the level of coverage of protection selected and vary from crop to crop and county to county. Producers are assessed a fee of \$30 per crop, per county, in addition to a share of premium. The additional levels of insurance coverage are more attractive to farmers due to availability of optional units, other policy provisions not available with CAT coverage, and the ability to obtain a level of protection that permits them to use crop insurance as loan collateral and to achieve greater financial security.

As mandated by the 1996 Act, revenue insurance programs are available under which producers of wheat, certain feed grains, soybeans, rice, and cotton are protected against loss of revenue stemming from low prices, poor yields, or a combination of both. Indemnities are due when any combination of yield and price result in revenue that is less than the revenue guarantee. Revenue protection for all products is provided by extending traditional multi-peril crop insurance protection, based on actual production history, to include price variability. These programs all seek to help ensure a certain level of annual income and are offered through private insurance companies. FCIC is also piloting an Adjusted Gross Revenue (AGR) program, which is designed to insure a portion of a producer's gross revenue based on their Schedule F Farm and income tax reports.

The Adjusted Gross Revenue-Lite (AGR-Lite) insurance plan was approved in late 2002 and offered for sale in 2003. This product was submitted to FCIC through Section 508(h) of the Act and was authorized by ARPA. AGR-Lite covers whole farm revenue up to \$250,000, including revenue from animals and animal products. AGR-Lite covers the adjusted gross revenue from the whole farm based on five years of tax forms and a farm plan. AGR-Lite initially began as a pilot in Pennsylvania and was expanded to include Alaska (selected counties), Connecticut, Delaware, Idaho, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York (selected counties), North Carolina, Oregon, Pennsylvania (except Philadelphia County), Rhode Island, Vermont, Washington, and West Virginia.

During 2004, RMA awarded over \$23 million in projects, as authorized by ARPA, to accomplish many of the research and development mandates required by ARPA. These projects were awarded to public and private entities, including a pool

Public enterprise funds—Continued**FEDERAL CROP INSURANCE CORPORATION FUND—Continued**

of contractors in a base research and development contract that was initiated with a period of performance through September 30, 2004. On November 15, 2001, the Board approved two livestock pilot programs—Livestock gross margin and Livestock risk protection—as allowed by ARPA. The pilot livestock programs cover swine in the State of Iowa and were made available beginning in 2002.

RMA continues to improve and update the terms and conditions of all crop insurance policies, which better clarifies and defines the insurance protection provided by the insurance policies and the duties and responsibilities of the policyholder and insurance provided.

In crop year 2004, 221 million acres were insured, with an estimated \$4,193 million in total premium income, including \$2,481 million in premium subsidy.

The Corporation's budget is presented in accordance with generally accepted accounting principles, the Financial Accounting Standards Board (FASB) Statement No. 60, "Accounting and Reporting by Insurance Enterprises," and Statement No. 5, "Accounting for Contingencies."

ARPA provided RMA with mandatory funding to implement data mining and data warehousing to improve compliance and integrity in the crop insurance program. It is estimated that in its first year of operation, data mining prevented nearly \$94 million in improper payments and helped recover nearly \$35 million in improper indemnities. However, the authority to use mandatory funding for data mining expires in 2005. Therefore, the 2006 Budget includes language to provide \$3.6 million to continue data mining and data warehousing activities.

Additionally, the 2006 Budget proposal would tie direct farm payments to the purchase of crop insurance. This change will ensure that all farmers growing the major commodity corps (e.g. wheat, corn, soybeans, and cotton) will have insurance coverage, ensuring that a farmer's revenue loss in a disaster will not be greater than 50 percent. As part of this proposal, the Administration includes changes to the Crop Insurance program that will reduce the premium subsidies to the farmers as well as the subsidies in total to the participating insurance companies. These changes will allow farmers to become more efficient in their risk management and companies to deliver crop insurance in a more efficient manner. The government will also realize savings of \$140 million beginning in 2007 as a result of these efficiencies, and the need for ad-hoc disaster payments will be reduced.

The following table compares the scope of the insurance operations planned for 2006. Amounts in the 2004 column are as of September 30, 2004, and pertain to the 2004 crop year.

	2004 crop year estimate	2005 crop year estimate	2006 crop year estimate
Number of States	50	50	50
Number of counties	3,067	3,066	3,066
Insurance in force (millions)	40,692	40,032	41,336
Insured acreage (millions)	221	222	220
Producer premium (millions) ¹	\$1,712	\$1,466	\$1,508
Premium subsidy (millions) ¹	\$2,481	\$2,164	\$2,214
Total premium (millions) ¹	\$4,193	\$3,630	\$3,722
Indemnities (millions) ¹	\$3,521	\$3,903	\$4,001
Loss ratio .....	.84	1.075	1.075

¹ Includes amounts that will appear on the books of the reinsured companies. The Corporation records will only reflect the net reinsurance income and net reinsurance loss.

Financing.—The Corporation is authorized under the Federal Crop Insurance Act, as amended, to use funds from the

issuance of capital stock which provides working capital for the Corporation.

Receipts, which are for deposit to this fund, come mainly from premiums paid by farmers. The principal payments from this fund are for indemnities to insured farmers, and administrative expenses for approved insurance providers.

Premium subsidies are authorized by section 508(b) of the Federal Crop Insurance Act, as amended, and are received through appropriations.

PREMIUM AND SUBSIDY

[In millions of dollars]

	2004 fiscal year actual	2005 fiscal year estimate	2006 fiscal year estimate
Premiums:			
Additional coverage premium subsidy	1,818	2,224	1,936
Catastrophic coverage—Reinsurance premium subsidy	226	241	230
Subtotal, premium subsidy	2,044	2,465	2,166
Producer premium	928	1,324	1,150
Total premiums	2,972	3,789	3,316
Indemnities:			
Additional coverage	2,898	3,478	3,689
Catastrophic coverage—Reinsurance	252	176	249
Total indemnities	3,150	3,654	3,938

For crop years 1948 through 2003, indemnities (\$33,635 million) exceeded premium income (\$28,057 million) by \$5,578 million; the loss ratio for the period was 1.20.

The following table summarizes the insurance operations for 2004, 2005, and 2006:

NET INCOME OR LOSS (—) ON INSURANCE OPERATIONS

[In millions of dollars]

	2004 fiscal year est.	2005 fiscal year est.	2006 fiscal year est.
Producer premium less indemnities	—2,222	—2,330	—2,788
Interest expense, net	0	0	0
Delivery expenses ¹	—859	—769	—781
Other income or expense, net	37	48	48
ARPA costs	—46	—76	—78
Reinsurance underwriting gain (+) or loss (—)	—378	—424	—367
Net income or loss (—)	—3,468	—3,551	—3,966

¹ Figures reflect delivery expenses borne by the Fund in accordance with the Agricultural Research, Extension and Education Reform Act of 1998, P.L. 105-185.

Balance Sheet (in millions of dollars)

	Identification code 12-4085-0-3-351	2003 actual	2004 actual
ASSETS:			
1101 Federal assets: Fund balances with Treasury		1,974	2,160
1206 Non-Federal assets: Receivables, net		1,152	1,570
1803 Other Federal assets: Property, plant and equipment, net		100	1
1999 Total assets		3,226	3,731
LIABILITIES:			
2105 Federal liabilities: Other		3	3
Non-Federal liabilities:			
2201 Accounts payable		112	82
2207 Other		3,562	3,851
2999 Total liabilities		3,677	3,936
NET POSITION:			
3100 Appropriated capital		342	828
3300 Cumulative results of operations		—793	—1,033
3999 Total net position		—451	—205
4999 Total liabilities and net position		3,226	3,731

Object Classification (in millions of dollars)

	Identification code 12-4085-0-3-351	2004 actual	2005 est.	2006 est.
Direct obligations:				
25.2 Other services-ARPA requirements		82	76	74

25.2	Other services	859	769	781
25.2	Other Services—(Proposed Legislation)		4	
42.0	Insurance claims and indemnities (reinsured buyup)	2,222	2,330	2,788
99.0	Direct obligations	3,163	3,175	3,647
42.0	Reimbursable obligations: Insurance claims and indemnities	928	1,324	1,150
99.9	Total new obligations	4,091	4,499	4,797

FARM SERVICE AGENCY**Federal Funds****General and special funds:****SALARIES AND EXPENSES**

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs administered by the Farm Service Agency, **[\$1,007,597,000]** **\$1,050,875,000**: *Provided*, That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: *Provided further*, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-0600-0-1-351		2004 actual	2005 est.	2006 est.
Obligations by program activity:				
00.01	Conservation	177	181	189
00.02	Income Support	767	783	817
00.05	Commodity Operations	39	40	45
03.00	Subtotal, direct program	983	1,004	1,051
09.01	Farm loans	281	291	309
09.02	Other programs	125	120	119
09.99	Subtotal, reimbursable program	406	411	428
10.00	Total new obligations	1,389	1,415	1,479
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	1,389	1,415	1,479
23.95	Total new obligations	-1,389	-1,415	-1,479
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	989	1,008	1,051
40.00	Appropriation (Hurricane supplemental)		4	
40.35	Appropriation permanently reduced	-6	-8	
43.00	Appropriation (total discretionary)	983	1,004	1,051
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	396	411	428
68.10	Change in uncollected customer payments from Federal sources (unexpired)	10		
68.90	Spending authority from offsetting collections (total discretionary)	406	411	428
70.00	Total new budget authority (gross)	1,389	1,415	1,479
Change in obligated balances:				
72.40	Obligated balance, start of year	213	153	144
73.10	Total new obligations	1,389	1,415	1,479
73.20	Total outlays (gross)	-1,411	-1,424	-1,474
73.40	Adjustments in expired accounts (net)	-37		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-10		
74.10	Change in uncollected customer payments from Federal sources (expired)	9		
74.40	Obligated balance, end of year	153	144	149
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	1,308	1,312	1,371
86.93	Outlays from discretionary balances	103	112	103

87.00	Total outlays (gross)	1,411	1,424	1,474
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-395	-381	-397
88.40	Offsetting collections (cash) from: Non-Federal sources	-11	-30	-31
88.90	Total, offsetting collections (cash)	-406	-411	-428
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-10		
88.96	Portion of offsetting collections (cash) credited to expired accounts	10		
Net budget authority and outlays:				
89.00	Budget authority	983	1,004	1,051
90.00	Outlays	1,005	1,013	1,046

The Farm Service Agency (FSA) was established October 3, 1994, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, P.L. 103-354. The Department of Agriculture Reorganization Act of 1994 was amended on April 4, 1996, by the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), P.L. 104-127. The FSA administers a variety of activities, such as farm income support programs through various loans and payments; the Conservation Reserve Program (CRP); the Emergency Conservation Program; the Hazardous Waste Management Program; the Commodity Operation Programs including the warehouse examination function; farm ownership, farm operating, emergency disaster, and other loan programs; price support and production control programs for tobacco and peanuts; and the Noninsured Crop Disaster Assistance Program (NAP), which provides crop loss protection for growers of many crops for which crop insurance is not available. The Agency also assists in the administration of several conservation cost-share programs financed by the Commodity Credit Corporation (CCC), including the Grasslands Reserve Program (GRP). In addition, FSA currently provides certain administrative support services to the Foreign Agricultural Service (FAS) and to the Risk Management Agency (RMA).

This consolidated administrative expenses account includes funds to cover expenses of programs administered by, and functions assigned to, the Agency. The funds consist of a direct appropriation, transfers from program loan accounts under credit reform procedures, user fees, and advances and reimbursements from other sources. This is a consolidated account for administrative expenses of national, regional, State, and county offices.

USDA's FSA, Natural Resources Conservation Service (NRCS), and Rural Development (RD) offices act as separate franchises, with offices often located adjacent to each other. Prior efforts to improve the efficiency of USDA's county-based offices have resulted in significant co-location, and introduction of new information technology to simplify customer transactions.

During 2003 FSA also began to consolidate loan servicing functions such as billings and mass mailings and is in the process of implementing an interactive voice response system to handle routine information requests from borrowers. These efforts will help improve customer service while also reducing annual costs to the Government. However, the separate hierarchical structures at State, regional, and headquarter levels are set in law, and this hinders further attempts to achieve additional efficiencies.

Farm programs.—These programs provide an economic safety net through farm income support to eligible producers, cooperatives, and associations to help improve the economic stability and viability of the agricultural sector and to ensure the production of an adequate and reasonably priced supply of food and fiber. Objectives of the Agency include providing direct and counter-cyclical payments, providing marketing as-

General and special funds—Continued**SALARIES AND EXPENSES**—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

sistance loans and loan deficiency payments enabling recipients to continue farming operations without marketing their product immediately after harvest, stabilizing the price and production of tobacco through 2005, and providing a financial assistance safety net to eligible producers when natural disasters result in a catastrophic loss of production or prevent planting of noninsured crops, and timely approval of crop prices, average yields, and payment factors for the Non-insured Crop Disaster Assistance Program (NAP).

Farm program activities include the following functions dealing with the administration of programs carried out through the farmer committee system of the FSA: (a) developing program regulations and procedures; (b) collecting and compiling basic data for individual farms; (c) establishing individual farm allotments for farm planting history; (d) notifying producers of established allotments and farm planting histories; (e) establishing individual farm allotments and determining farm marketing quotas for tobacco through 2005; (f) conducting referendums and certifying results; (g) accepting farmer certifications and checking compliance for specific purposes; (h) issuing marketing cards so that production from the allotted acreage can be marketed without penalty; (i) processing commodity loan documents and issuing checks; (j) processing direct and counter-cyclical payments and issuing checks; (k) certifying payment eligibility and monitoring payment limitations; and (l) processing farm storage facility loans and issuing checks.

Conservation and environment.—These programs assist agricultural producers and landowners in achieving a high level of stewardship of soil, water, air, and wildlife resources on America's farmland and ranches while protecting the human and natural environment. Objectives of the Agency include improving environmental quality, protecting natural resources, and enhancing habitat for fish and wildlife, including threatened and endangered species, providing Emergency Conservation Program funding for farmers and ranchers to rehabilitate damaged farmland and for carrying out emergency conservation measures during periods of severe drought or flooding, protecting the public health of communities through implementation of the Hazardous Waste Management Program, and implementing administrative processes and procedures for contracting, financial reporting, and other financial operations. This activity includes: (a) processing producer requests for conservation cost-sharing and issuing conservation reserve rental payments; and (b) issuing checks for other conservation programs.

Commodity operations.—This activity includes: (a) overall management of CCC-owned commodities; (b) purchasing commodities; (c) donating commodities; (d) selling commodities; (e) accounting for loans and commodities; and (f) commercial warehouse activities, which include improving the effectiveness and efficiency of FSA's commodity acquisition, procurement, storage, and distribution activities to support domestic and international food assistance programs and administering the U.S. Warehouse Act (USWA). The Agency provides for the examination of warehouses licensed under the USWA and non-licensed warehouses storing CCC-owned or pledged commodities. Examiners perform periodic examinations of the facilities and the warehouse records to ensure protection of depositors against potential losses of the stored commodities and to ensure compliance with the USWA and any CCC storage agreements.

Farm loans (reimbursable).—Provides for administering the direct and guaranteed loan programs covered under the Agricultural Credit Insurance Fund (ACIF). Objectives of the Agency include improving the economic viability of farmers

and ranchers, reducing losses in direct loan programs, responding to loan making and servicing requests, and maximizing financial and technical assistance to under-served groups. Activities include reviewing applications, servicing the loan portfolio, and providing technical assistance and guidance to borrowers. Funding for farm loan administrative expenses is transferred to this consolidated account from the ACIF. Appropriations representing subsidy amounts necessary to support the individual program loan levels under Federal Credit Reform are made to the ACIF account.

Other reimbursable activities.—FSA collects a fee or is reimbursed for performing a variety of services for other Federal agencies, CCC, industry, and others, including certain administrative support services for the Risk Management Agency and the Foreign Agricultural Service, and for county office services provided to Federal and non-Federal entities, including a variety of services to producers.

Object Classification (in millions of dollars)

Identification code 12-0600-0-1-351	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	170	163	166
11.3 Other than full-time permanent	3	3	3
11.5 Other personnel compensation	5	7	7
11.9 Total personnel compensation	178	173	176
12.1 Civilian personnel benefits	45	41	41
21.0 Travel and transportation of persons	11	9	7
22.0 Transportation of things	3	2	2
23.3 Communications, utilities, and miscellaneous charges	11	14	14
24.0 Printing and reproduction	1	1	1
25.2 Other services	98	111	127
26.0 Supplies and materials	5	4	4
31.0 Equipment	4	3	2
41.0 Grants, subsidies, and contributions	627	645	676
42.0 Insurance claims and indemnities		1	1
99.0 Direct obligations	983	1,004	1,051
99.0 Reimbursable obligations	406	411	428
99.9 Total new obligations	1,389	1,415	1,479

Personnel Summary

Identification code 12-0600-0-1-351	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			
1001 Total compensable workyears: Civilian full-time equivalent employment	2,472	2,134	2,122
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	3,411	3,364	3,352

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101-5106), [**\$4,000,000**] \$4,500,000. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.*)

Program and Financing (in millions of dollars)

Identification code 12-0170-0-1-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 State Mediation grants			
00.01 State Mediation grants	4	4	4
10.00 Total new obligations (object class 41.0)	4	4	4
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	4	4	4
23.95 Total new obligations	-4	-4	-4
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4	4	4

Change in obligated balances:			
72.40 Obligated balance, start of year	3	3	3
73.10 Total new obligations	4	4	4
73.20 Total outlays (gross)	—4	—4	—4
74.40 Obligated balance, end of year	3	3	3
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	2	2
86.93 Outlays from discretionary balances	2	2	2
87.00 Total outlays (gross)	4	4	4
Net budget authority and outlays:			
89.00 Budget authority	4	4	4
90.00 Outlays	4	4	4

This grant program is authorized by Title V of the Agricultural Credit Act of 1987, P.L. 100-233, as amended. Originally designed to address agricultural credit disputes, the program was expanded by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (P.L. 103-354) to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on National Forest System lands, and pesticide use. Grants are made to States whose agricultural mediation programs have been certified by the Farm Service Agency. A grant will not exceed 70 percent of the total fiscal year funds that a qualifying State requires to operate and administer its agricultural mediation program. In no case will the total amount of a grant exceed \$500,000 annually.

GRANT OBLIGATIONS

	2004 actual	2005 est.	2006 est.
Number of States receiving grants	32	34	36
Amount of grants (in millions of dollars)	3.9	4	4

TREE ASSISTANCE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-2701-0-1-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Tree Assistance Payments	4	.....	.....
10.00 Total new obligations (object class 41.0)	4	.....	.....
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	6	.....	.....
23.95 Total new obligations	—4	.....	.....
23.98 Unobligated balance expiring or withdrawn	—2	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	12	.....	.....
41.00 Transferred to other accounts	—6	.....	.....
43.00 Appropriation (total discretionary)	6	.....	.....
Change in obligated balances:			
72.40 Obligated balance, start of year .....	.....	4	2
73.10 Total new obligations	4	.....	.....
73.20 Total outlays (gross) .....	.....	—2	—2
74.40 Obligated balance, end of year	4	2	.....
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	2	.....	2
Net budget authority and outlays:			
89.00 Budget authority	6	.....	.....
90.00 Outlays	2	.....	2

The tree assistance program (TAP) was reauthorized by the Farm Security and Rural Investment Act of 2002 with some modifications.

The 1999 TAP expired at the end of 2004, and all unobligated funds were returned to Treasury.

For 2004, the Consolidated Appropriations Act, P.L. 108-199, appropriated \$12.5 million for the program in southern California. During the fiscal year, \$4 million was obligated, \$6 million was transferred to the USDA Working Capital Fund per Section 704 of P.L. 108-199, and the remaining \$2 million unobligated balance will expire at the end of FY 2009. No outlays were made during FY 2004 from funds obligated during the fiscal year. P.L. 108-199 also provided \$5 million in Commodity Credit Corporation (CCC) funding for a program in New York.

In addition, P.L. 108-83, the Legislative Branch Appropriations Act, provided \$9.7 million in CCC funding to compensate eligible orchardists in Michigan for losses due to fire blight.

For 2005, no appropriation was provided for TAP. However, the following CCC funding was provided by the 2005 Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005: (1) such sums as necessary for assistance to eligible producers for specified tree losses; (2) \$15 million for timber losses; (3) \$10 million for orchard tree losses; and (4) \$8.5 million for assistance to eligible pecan producers in designated counties.

No funding is requested for 2006.

AGRICULTURAL CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3315-0-1-302	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	4	1
22.00 New budget authority (gross) .....	.....	—4	.....
22.10 Resources available from recoveries of prior year obligations	3	1	.....
22.21 Unobligated balance transferred to other accounts	—1	.....	.....
23.90 Total budgetary resources available for obligation	4	1	1
24.40 Unobligated balance carried forward, end of year	4	1	1

New budget authority (gross), detail:

Discretionary:			
40.36 Unobligated balance permanently reduced .....	.....	—4	.....

Change in obligated balances:

72.40 Obligated balance, start of year	4	1	2
73.20 Total outlays (gross) .....	.....	2	2
73.45 Recoveries of prior year obligations	—3	—1	.....
74.40 Obligated balance, end of year	1	2	4

Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	.....	—2	.....
86.93 Outlays from discretionary balances .....	.....	.....	—2
87.00 Total outlays (gross) .....	.....	—2	—2

Net budget authority and outlays:

89.00 Budget authority .....	.....	—4	.....
90.00 Outlays .....	.....	—2	—2

This program was terminated at the beginning of 1997 in accordance with the Federal Agriculture Improvement and Reform Act of 1996. The objectives of the Agricultural Conservation Program (ACP) were incorporated into the Environmental Quality Incentives Program which is funded by the Commodity Credit Corporation and administered under the lead of the Natural Resources Conservation Service.

The primary objective of the program was to conserve soil and water resources. Along with annual agreements, cost sharing was authorized for long-term agreements of 3-10 years. In 2004 a transfer of \$947,623 in unobligated funds was made to the USDA Working Capital Fund as authorized in Section 704 of the Consolidated Appropriations Act, 2004, P.L. 108-199. Outlays to States in 2004 totaled \$110 thousand.

General and special funds—Continued

AGRICULTURAL CONSERVATION PROGRAM—Continued

sand. At the end of 2004, \$1.123 million in unliquidated obligations remained for ACP agreements.

EMERGENCY CONSERVATION PROGRAM

For an additional amount for "Emergency Conservation Program", for expenses resulting from natural disasters, \$100,000,000, to remain available until expended: *Provided*, That the amounts provided under this heading are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287. (Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)

Program and Financing (in millions of dollars)			
	2004 actual	2005 est.	2006 est.
Identification code 12-3316-0-1-453			
Obligations by program activity:			
00.01 ECP payments	27	100	81
10.00 Total new obligations (object class 41.0)	27	100	81
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	46	31	81
22.00 New budget authority (gross)	12	150	.....
23.90 Total budgetary resources available for obligation	58	181	81
23.95 Total new obligations	-27	-100	-81
24.40 Unobligated balance carried forward, end of year	31	81	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	12	100	.....
Mandatory:			
62.00 Transferred from other accounts		50	.....
70.00 Total new budget authority (gross)	12	150	.....
Change in obligated balances:			
72.40 Obligated balance, start of year	9	13	33
73.10 Total new obligations	27	100	81
73.20 Total outlays (gross)	-23	-80	-65
74.40 Obligated balance, end of year	13	33	49
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority		24	.....
86.93 Outlays from discretionary balances	23	44	43
86.97 Outlays from new mandatory authority		12	.....
86.98 Outlays from mandatory balances			22
87.00 Total outlays (gross)	23	80	65
Net budget authority and outlays:			
89.00 Budget authority	12	150	.....
90.00 Outlays	23	80	65

The Emergency Conservation Program (ECP) was authorized by the Agricultural Credit Act of 1978 (16 U.S.C. 2201-05). It provides funds for sharing the cost of emergency measures to deal with cases of severe damage to farmlands and rangelands resulting from natural disasters.

Title VIII of the 2001 Agriculture Appropriations Act, P.L. 106-387, provided \$80 million for the Emergency Conservation Program. This funding is available until expended. No funding was provided in 2002 through 2004 for a nationwide ECP. However, the Consolidated Appropriations Act, 2004, P.L. 108-199, provided \$12 million to repair damage caused by wildfire in southern California. The program continued to operate nationwide using unobligated funds carried forward from 2001 and recoveries throughout the three fiscal years. Under the 2004 program, cost-sharing and technical assistance were provided in 34 States and one territory to treat

farmlands damaged by drought, floods, ice storms, tornadoes, and other natural disasters. Outlays to States in FY 2004 totaled \$23 million, including \$61 thousand for wildfire damage in California.

The Emergency Hurricane Supplemental Appropriations Act, 2005, P.L. 108-324, provided an additional \$150 million for ECP (\$100 million in direct appropriation and \$50 million transferred from the Commodity Credit Corporation). These funds are available until expended.

The 2006 Budget proposes no funding for this program.

Credit accounts:

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed farm ownership (7 U.S.C. 1922 et seq.) and operating (7 U.S.C. 1941 et seq.) loans, Indian tribe land acquisition loans (25 U.S.C. 488), *emergency insured loans* (42 U.S.C. 5121 et seq.), and boll weevil loans (7 U.S.C. 1989), to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, [\$1,610,000,000] \$1,600,000,000, of which \$1,400,000,000 shall be for guaranteed loans and [\$210,000,000] \$200,000,000 shall be for direct loans; operating loans, [\$2,035,000,000] \$2,116,253,000, of which [\$1,100,000,000] \$1,200,000,000 shall be for unsubsidized guaranteed loans, [\$285,000,000] \$266,253,000 shall be for subsidized guaranteed loans and \$650,000,000 shall be for direct loans; Indian tribe land acquisition loans, \$2,000,000; *emergency insured loans*, \$25,000,000 to meet the needs resulting from natural disasters; and for boll weevil eradication program loans, [\$100,000,000] \$60,000,000: *Provided*, That the Secretary shall deem the pink bollworm to be a boll weevil for the purpose of boll weevil eradication program loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, [\$18,655,000] \$16,960,000, of which [\$7,420,000] \$6,720,000 shall be for guaranteed loans, and [\$11,235,000] \$10,240,000 shall be for direct loans; operating loans, [\$139,049,000] \$134,316,625, of which [\$35,530,000] \$36,360,000 shall be for unsubsidized guaranteed loans, [\$37,934,000] \$33,281,625 shall be for subsidized guaranteed loans, and [\$65,585,000] \$64,675,000 shall be for direct loans; [and] Indian tribe land acquisition loans, [\$105,000] \$80,200; and *emergency insured loans* to meet the needs resulting from natural disasters, \$2,735,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [\$301,764,000] \$317,137,000, of which [\$293,764,000] \$309,137,000 shall be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

Funds appropriated by this Act to the Agricultural Credit Insurance Program Account for farm ownership and operating direct loans and guaranteed loans may be transferred among these programs: *Provided*, That the Committees on Appropriations of both Houses of Congress are notified at least 15 days in advance of any transfer.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers and manufacturers of dairy products under a dairy indemnity program, \$100,000, to remain available until expended: *Provided*, That such program is carried out by the Secretary in the same manner as the dairy indemnity program described in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106-387, 114 Stat. 1549A-12). (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

General Fund Credit Receipt Accounts (in millions of dollars)

	Identification code 12-1140-0-1-351	2004 actual	2005 est.	2006 est.
0101 Negative subsidies/subsidy reestimates		4	6	11
0102 Negative subsidies/subsidy reestimates	988		316	.....

Program and Financing (in millions of dollars)			
Identification code 12-1140-0-1-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loan subsidy	123	99	78
00.02 Guaranteed loan subsidy	72	82	76
00.05 Reestimates of direct loan subsidy	84	.....	.....
00.06 Interest on reestimates of direct loan subsidy	72	.....	.....
00.07 Reestimates of guaranteed loan subsidy	8	6	.....
00.08 Interest on reestimate of guaranteed loan subsidy	1	1	.....
00.09 Administrative expenses—salaries and expenses	286	291	309
00.10 Administrative Expenses—PLCE	2	8	8
10.00 Total new obligations	492	643	471
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	30	26	5
22.00 New budget authority (gross)	494	620	471
22.10 Resources available from recoveries of prior year obligations	1	2	.....
23.90 Total budgetary resources available for obligation	525	648	476
23.95 Total new obligations	—492	—643	—471
23.98 Unobligated balance expiring or withdrawn	—7	.....	.....
24.40 Unobligated balance carried forward, end of year	26	5	5
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	488	460	471
40.35 Appropriation permanently reduced	—3	—4	.....
43.00 Appropriation (total discretionary)	485	456	471
Mandatory:			
60.00 Appropriation	9	164	.....
70.00 Total new budget authority (gross)	494	620	471
Change in obligated balances:			
72.40 Obligated balance, start of year	20	17	37
73.10 Total new obligations	492	643	471
73.20 Total outlays (gross)	—491	—621	—471
73.40 Adjustments in expired accounts (net)	—3	.....	.....
73.45 Recoveries of prior year obligations	—1	—2	.....
74.40 Obligated balance, end of year	17	37	37
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	462	432	447
86.93 Outlays from discretionary balances	20	25	24
86.97 Outlays from new mandatory authority	9	164	.....
87.00 Total outlays (gross)	491	621	471
Net budget authority and outlays:			
89.00 Budget authority	494	620	471
90.00 Outlays	491	621	471
Performance Metrics			
Identification code 12-1140-0-1-351	2004 actual	2005 est.	2006 est.
Agricultural Credit Insurance Fund Direct Loans:			
201806 Percentage of farm loans targeted to beginning and socially disadvantaged farmers/ranchers	36%	36%	.....
201807 Decrease in average processing time (measured in number of days)	36	36	.....

115001 Farm ownership	142	208	200	14.42	10.09	9.95
115002 Farm operating	609	645	650	13.83	12.94	10.94
115003 Emergency disaster	30	.....	25	—0.78	5.27	4.01
115004 Indian tribe land acquisition	2	2	2	—6.07	—5.68	—18.09
115005 Boll weevil eradication	98	100	60			
115901 Total direct loan levels	881	955	937			
Direct loan subsidy (in percent):						
132001 Farm ownership	22.08	5.35	5.12			
132002 Farm operating				13.32	7.40	7.14
132003 Emergency disaster				31	11	10
132004 Indian tribe land acquisition				88	65	65
132005 Boll weevil eradication				4	.....	3
132901 Weighted average subsidy rate				—6	—6	—11
Direct loan subsidy budget authority:						
133001 Farm ownership				117	70	67
133002 Farm operating				30	10	9
133003 Emergency disaster				87	64	65
133004 Indian tribe land acquisition				4	.....	3
133005 Boll weevil eradication				—4	—6	—11
133901 Total subsidy budget authority				117	68	66
Direct loan subsidy outlays:						
134001 Farm ownership				135001 Farm ownership		
134002 Farm operating				135002 Farm operating		
134003 Emergency disaster				135003 Emergency disaster		
134004 Indian tribe land acquisition				135004 Indian Land Acquisition		
134005 Boll weevil eradication				135005 Boll weevil eradication		
134901 Total subsidy outlays				135006 Seed cotton		
Direct loan upward reestimate subsidy budget authority:						
135001 Farm ownership				135007 Soil and Water		
135002 Farm operating				135008 Farm ownership credit sales		
135003 Emergency disaster				135901 Total upward reestimate budget authority		
135004 Indian Land Acquisition				Direct loan downward reestimate subsidy budget authority:		
135005 Boll weevil eradication				137001 Farm ownership		
135006 Seed cotton				137002 Farm operating		
135007 Soil and Water				137003 Emergency disaster		
135008 Farm ownership credit sales				137004 Indian tribe land acquisition		
137001 Farm ownership				137005 Boll weevil eradication		
137002 Farm operating				137006 Seed cotton		
137003 Emergency disaster				137007 Soil and water		
137004 Indian tribe land acquisition				137008 Farm ownership credit sales		
137005 Boll weevil eradication				137901 Total downward reestimate budget authority		
137006 Seed cotton				—933	—279	.....
Guaranteed loan levels supportable by subsidy budget authority:						
215001 Farm ownership, unsubsidized				215001 Farm ownership, unsubsidized	1,114	1,389
215002 Farm operating, unsubsidized				215002 Farm operating, unsubsidized	1,017	1,091
215003 Farm operating, subsidized				215003 Farm operating, subsidized	271	283
215901 Total loan guarantee levels				215901 Total loan guarantee levels	2,402	2,763
Guaranteed loan subsidy (in percent):						
232001 Farm ownership, unsubsidized				232001 Farm ownership, unsubsidized	0.54	0.53
232002 Farm operating, unsubsidized				232002 Farm operating, unsubsidized	3.33	3.23
232003 Farm operating, subsidized				232003 Farm operating, subsidized	12.77	13.31
232901 Weighted average subsidy rate				232901 Weighted average subsidy rate	3.10	2.91
Guaranteed loan subsidy budget authority:						
233001 Farm ownership, unsubsidized				233001 Farm ownership, unsubsidized	6	7
233002 Farm operating, unsubsidized				233002 Farm operating, unsubsidized	34	35
233003 Farm operating, subsidized				233003 Farm operating, subsidized	35	38
233901 Total subsidy budget authority				233901 Total subsidy budget authority	75	80
Guaranteed loan subsidy outlays:						
234001 Farm ownership, unsubsidized				234001 Farm ownership, unsubsidized	6	6
234002 Farm operating, unsubsidized				234002 Farm operating, unsubsidized	33	32
234003 Farm operating, subsidized				234003 Farm operating, subsidized	31	39
234901 Total subsidy outlays				234901 Total subsidy outlays	70	77
Guaranteed loan upward reestimate subsidy budget authority:						
235001 Farm ownership, unsubsidized				235001 Farm ownership, unsubsidized	1	2
235002 Farm operating, unsubsidized				235002 Farm operating, unsubsidized	1	.....
235003 Farm operating, subsidized				235003 Farm operating, subsidized	7	5
235901 Total upward reestimate budget authority				235901 Total upward reestimate budget authority	9	7
Guaranteed loan downward reestimate subsidy budget authority:						
237001 Farm ownership, unsubsidized				237001 Farm ownership, unsubsidized	—6	—7
237002 Farm operating, unsubsidized				237002 Farm operating, unsubsidized	—25	—28
237003 Farm operating, subsidized				237003 Farm operating, subsidized	—23	—3
237004 Soil and Water				237004 Soil and Water	—1	.....
237901 Total downward reestimate subsidy budget authority				237901 Total downward reestimate subsidy budget authority	—55	—38
Administrative expense data:						
351001 Budget authority				351001 Budget authority	290	291
						290

Credit accounts—Continued**DAIRY INDEMNITY PROGRAM—Continued****(INCLUDING TRANSFER OF FUNDS)—Continued****Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)—Continued**

Identification code 12-1140-0-1-351	2004 actual	2005 est.	2006 est.
359001 Outlays from new authority	279	291	326

The Agricultural credit insurance fund program account's loans are authorized by title III of the Consolidated Farm and Rural Development Act, as amended.

This program account includes subsidies to provide direct and guaranteed loans for farm ownership, farm operating, and emergency loans to individuals. Indian tribes and tribal corporations are eligible for Indian land acquisition loans. Boll weevil eradication loans are available to eliminate the cotton boll weevil pest from infested areas.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including credit sales of acquired property), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Under the Dairy Indemnity Program (DIP), payments are made to farmers and manufacturers of dairy products who are directed to remove their milk or milk products from commercial markets because they contain residues of chemicals that have been registered and approved by the Federal Government, other chemicals, nuclear radiation, or nuclear fallout. Indemnification may also be paid for cows producing such milk.

In 2004, \$601 thousand was paid to producers who filed claims under the program.

The 2006 Budget requests \$100 thousand for this program.

Object Classification (in millions of dollars)

Identification code 12-1140-0-1-351	2004 actual	2005 est.	2006 est.
25.3 Other purchases of goods and services from Government accounts	259	299	317
41.0 Grants, subsidies, and contributions	233	344	154
99.9 Total new obligations	492	643	471

AGRICULTURAL CREDIT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT**Program and Financing (in millions of dollars)**

Identification code 12-4212-0-3-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Loan Obligations	881	1,132	937
00.02 Advances on Behalf of Borrowers	2	3	3
00.03 Fees, Collateral and Other	3	4	4
00.04 Interest Paid to Treasury	277	315	315
00.91 Direct Program by Activities—Subtotal (1 level)	1,163	1,454	1,259
08.01 Negative Subsidy	6	6	11
08.02 Downward Reestimate	701	231	.....
08.04 Interest on downward reestimate	232	47	.....
08.91 Direct Program by Activities—Subtotal (1 level)	939	284	11
10.00 Total new obligations	2,102	1,738	1,270

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	2,134	1,674	-2
22.00 New financing authority (gross)	3,531	2,793	2,464
22.10 Resources available from recoveries of prior year obligations	14	.....	.....

22.40 Capital transfer to general fund	-235	-408	.....
22.60 Portion applied to repay debt	-1,668	-2,323	-1,185
23.90 Total budgetary resources available for obligation	3,776	1,736	1,277
23.95 Total new obligations	-2,102	-1,738	-1,270
24.40 Unobligated balance carried forward, end of year	1,674	-2	7

New financing authority (gross), detail:

Mandatory:			
67.10 Authority to borrow	2,183	1,365	1,192
69.00 Offsetting collections (cash)	1,349	1,428	1,272
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-1	.....	.....
69.90 Spending authority from offsetting collections (total mandatory)	1,348	1,428	1,272
70.00 Total new financing authority (gross)	3,531	2,793	2,464

Change in obligated balances:

72.40 Obligated balance, start of year	108	85	171
73.10 Total new obligations	2,102	1,738	1,270
73.20 Total financing disbursements (gross)	-2,112	-1,652	-1,244
73.45 Recoveries of prior year obligations	-14	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1	.....	.....
74.40 Obligated balance, end of year	85	171	197
87.00 Total financing disbursements (gross)	2,112	1,652	1,244

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal Sources: Reestimate payment from program account .....	.....	-157	.....
88.00 Federal Sources: Subsidy payment from program account .....	.....	.....	.....
88.25 Federal Sources: Interest on uninvested funds	-121	-74	-77
88.40 Repayments of principal	-109	-115	-115
88.40 Repayments of interest	-918	-900	-900
88.40 Interest and principal repayments—judgements	-172	-180	-180
88.40 Proceeds from sale of acquired property	-2	-2	.....
88.40 Undistributed/miscellaneous	-23	.....	.....
88.90 Total, offsetting collections (cash)	-1,347	-1,428	-1,272
Against gross financing authority only:			
88.95 Change in receivables from program accounts	1	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts	-2	.....	.....

Net financing authority and financing disbursements:

89.00 Financing authority	2,183	1,365	1,192
90.00 Financing disbursements	764	224	-28

Status of Direct Loans (in millions of dollars)

Identification code 12-4212-0-3-351	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	.....	.....	.....
1131 Direct loan obligations exempt from limitation	881	1,132	937
1150 Total direct loan obligations	881	1,132	937
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	4,545	4,448	4,456
1231 Disbursements: Direct loan disbursements	899	962	937
1251 Repayments: Repayments and prepayments	-927	-900	-900
Write-offs for default:			
1263 Direct loans	-67	-54	-57
1264 Other adjustments, net	-2	.....	.....
1290 Outstanding, end of year	4,448	4,456	4,436

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including credit sales of acquired property that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

This account finances direct loans for farm ownership, farm operating, emergency disaster, Indian land, boll weevil eradication, and credit sales of acquired property.

Balance Sheet (in millions of dollars)

Identification code 12-4212-0-3-351	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	1,416	1,674
Investments in US securities:		
1106 Receivables, net	156	
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	4,545	4,448
1402 Interest receivable	122	197
1403 Accounts receivable from foreclosed property	16	5
1405 Allowance for subsidy cost (–)	–738	–591
1499 Net present value of assets related to direct loans	3,945	4,059
1603 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Allowance for estimated uncollectible loans and interest (–)	–80	
1999 Total assets	5,361	5,809
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	4,428	5,449
2207 Non-Federal liabilities: Other	933	360
2999 Total liabilities	5,361	5,809
4999 Total liabilities and net position	5,361	5,809

AGRICULTURAL CREDIT INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4213-0-3-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Default Claims			
00.02 Interest Assistance	60	55	60
00.03 Guaranteed Debt Offset/Purchases/Settlement Expense	68	110	110
00.04 Interest to Treasury	2	5	5
00.91 Direct Program by Activities—Subtotal (1 level)	130	172	177
08.02 Downward reestimate of subsidy	41	28	
08.04 Downward reestimate of subsidy-interest	14	10	
08.91 Subtotal, reestimates	55	38	
10.00 Total new obligations	185	210	177
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	180	193	119
22.00 New financing authority (gross)	136	136	124
22.10 Resources available from recoveries of prior year obligations	65		
22.60 Portion applied to repay debt	–3		
23.90 Total budgetary resources available for obligation	378	329	243
23.95 Total new obligations	–185	–210	–177
24.40 Unobligated balance carried forward, end of year	193	119	66

New financing authority (gross), detail:

Mandatory:	Identification code 12-4213-0-3-351	2003 actual	2004 actual
69.00 Offsetting collections (cash)	136	136	124

Change in obligated balances:

Identification code 12-4213-0-3-351	2003 actual	2004 actual
72.40 Obligated balance, start of year	404	351
73.10 Total new obligations	185	210
73.20 Total financing disbursements (gross)	–173	–210
73.45 Recoveries of prior year obligations	–65	
74.40 Obligated balance, end of year	351	351
87.00 Total financing disbursements (gross)	173	210

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	–79	–84	–72
88.25 Interest on uninvested funds	–27	–25	–25
88.40 Fees and premiums	–30	–27	–27
88.90 Total, offsetting collections (cash)	–136	–136	–124

Net financing authority and financing disbursements:

89.00 Financing authority	36		
90.00 Financing disbursements	74	53	

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4213-0-3-351	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2121 Limitation available from carry-forward	2,402	2,763	2,866
2143 Uncommitted limitation carried forward	80	77	
2150 Total guaranteed loan commitments	–80		
2199 Guaranteed amount of guaranteed loan commitments	2,402	2,840	2,866
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	10,086	10,224	10,473
2231 Disbursements of new guaranteed loans	2,347	2,579	2,510
2251 Repayments and prepayments	–2,123	–2,250	–2,250
Adjustments:			
2261 Terminations for default that result in loans receivable	–2	–2	–2
2263 Terminations for default that result in claim payments	5	–78	–78
2264 Other adjustments, net	–89		
2290 Outstanding, end of year	10,224	10,473	10,653
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	9,182	9,949	10,120

Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:	2004 actual	2005 est.	2006 est.
2310 Outstanding, start of year	10	15	15
2331 Disbursements for guaranteed loan claims	2	2	2
2351 Repayments of loans receivable	–2	–1	–1
2361 Write-offs of loans receivable	–1	–1	–1
2364 Other adjustments, net	5		
2390 Outstanding, end of year	15	15	15

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances commitments made for farm ownership and operating guaranteed loan programs.

Balance Sheet (in millions of dollars)

Identification code 12-4213-0-3-351	2004 actual	2005 est.
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	583	544
Investments in US securities:		
1106 Receivables, net	9	7
Non-Federal assets: Receivables, net	3	2
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:		
1501 Defaulted guaranteed loans receivable, gross	5	15
1502 Interest receivable	–2	
1505 Allowance for subsidy cost (–)	–10	–12
1599 Net present value of assets related to defaulted guaranteed loans	–1	1
1999 Total assets	594	554

Credit accounts—Continued**AGRICULTURAL CREDIT INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT—Continued****Balance Sheet (in millions of dollars)—Continued**

Identification code 12-4213-0-3-351	2003 actual	2004 actual
LIABILITIES:		
Federal liabilities:		
2104 Resources payable to Treasury	6	3
2105 Other	55	38
Non-Federal liabilities:		
2201 Accounts payable	404	351
2204 Liabilities for loan guarantees	129	162
2999 Total liabilities	594	554
4999 Total liabilities and net position	594	554

AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT**Program and Financing (in millions of dollars)**

Identification code 12-4140-0-3-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.08 Loan recoverable costs	5	6	6
00.09 Minor Capital Improvements		1	1
00.10 Costs incident to acquisition of property	1	1	1
00.91 Direct Program by Activities—Subtotal (1 level)	6	8	8
01.08 Administrative expenses—Department of Justice fees	1	1	1
01.13 Interest assistance—guaranteed loans	6	2	2
01.14 Loss settlement expenses guaranteed loans		1	1
01.17 Unclassified costs	1	1	1
01.18 Civil rights settlements		4	4
01.91 Total operating expenses	8	9	9
10.00 Total new obligations	14	17	17

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	61	.....
22.00 New budget authority (gross)	57	17
22.10 Resources available from recoveries of prior year obligations	18	.....
22.40 Capital transfer to general fund		—61
23.90 Total budgetary resources available for obligation	75	17
23.95 Total new obligations	—14	—17
24.40 Unobligated balance carried forward, end of year	61	.....

New budget authority (gross), detail:

Mandatory:			
69.00 Offsetting collections (cash)	757	648	566
69.27 Capital transfer to general fund	—700	—631	—549
69.90 Spending authority from offsetting collections (total mandatory)	57	17	17

Change in obligated balances:

72.40 Obligated balance, start of year	18	7	10
73.10 Total new obligations	14	17	17
73.20 Total outlays (gross)	—7	—14	—14
73.45 Recoveries of prior year obligations	—18	.....	.....
74.40 Obligated balance, end of year	7	10	13

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	7	14	14
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Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	—2	—2	—2
88.40 Rent on acquired property	—1	—1	—1
88.40 Guaranteed loans purchased from holders—principal	—1	—1	—1
88.40 Interest on loans	—198	—180	—175
88.40 Guaranteed loss recoveries		—1	—1
88.40 Interest on judgments	—1	—2	—2
88.40 Repayments on loans—principal	—506	—421	—348

88.40 Interest shared appreciation			
88.40 Judgments—principal		—11	—10
88.40 Shared appreciation recapture		—13	—12
88.40 Sale of acquired property/chattels		—14	—10
88.40 Undistributed receipts		—10	—8
88.90 Total, offsetting collections (cash)		—757	—648
			—566

Net budget authority and outlays:

89.00 Budget authority		—700	—631	—549
90.00 Outlays		—750	—634	—552

Status of Direct Loans (in millions of dollars)

Identification code 12-4140-0-3-351	2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	3,249	2,702	2,213
1251 Repayments: Repayments and prepayments	—506	—421	—344
1261 Adjustments: Capitalized interest	7	7	6
Write-offs for default:			
1263 Direct loans	—80	—75	—69
1264 Other adjustments, net ¹	32	.....	.....
1290 Outstanding, end of year	2,702	2,213	1,806

¹Amounts shown are based on payment of delinquent installments, advances on behalf of borrowers, acquired property and chattels, loans in kind, and judgments.

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4140-0-3-351	2004 actual	2005 est.	2006 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	223	168	130
2251 Repayments and prepayments	—52	—35	—28
2263 Adjustments: Terminations for default that result in claim payments	—3	—3	—3
2290 Outstanding, end of year	168	130	99

Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year	160	124	94
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As required by the Federal Credit Reform Act of 1990, this account records for the farm loan programs all cash flows to and from the Government resulting from direct loans obligated, loan guarantees committed, and grants made prior to 1992. New loan activity in 1992 and beyond (including credit sales of acquired property that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts. Payments to settle certain discrimination claims against USDA may also be made from this account.

Balance Sheet (in millions of dollars)

Identification code 12-4140-0-3-351	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	18	68
1505 Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: Allowance for subsidy cost (—) .....	.....	—335
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	3,249	2,702
1602 Interest receivable	573	503
1603 Allowance for estimated uncollectible loans and interest (—)	—541	—332
1604 Direct loans and interest receivable, net	3,281	2,873
1605 Accounts receivable/judgments receivable	112	113
1606 Foreclosed property	32	28
1699 Value of assets related to direct loans	3,425	3,014
1701 Defaulted guaranteed loans, gross	11	.....
1999 Total assets	3,454	2,747
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	3,427	2,734

Non-Federal liabilities:			
2201 Accounts payable	9	5	
2204 Liabilities for loan guarantees	8	2	
2207 Other	10	6	
2999 Total liabilities	3,454	2,747	
4999 Total liabilities and net position	3,454	2,747	

Object Classification (in millions of dollars)

	2004 actual	2005 est.	2006 est.
Identification code 12-4140-0-3-351			
25.2 Other services	6	8	8
33.0 Investments and loans	8	5	5
43.0 Interest and dividends		4	4
99.9 Total new obligations	14	17	17

COMMODITY CREDIT CORPORATION**CORPORATIONS**

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

Federal Funds**Public enterprise funds:****COMMODITY CREDIT CORPORATION FUND****REIMBURSEMENT FOR NET REALIZED LOSSES**

For the current fiscal year, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed, pursuant to section 2 of the Act of August 17, 1961 (15 U.S.C. 713a-11): *Provided*, That of the funds available to the Commodity Credit Corporation under section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i) for the conduct of its business with the Foreign Agricultural Service, up to \$5,000,000 may be transferred to and used by the Foreign Agricultural Service for information resource management activities of the Foreign Agricultural Service that are not related to Commodity Credit Corporation business.

**HAZARDOUS WASTE MANAGEMENT
(LIMITATION ON EXPENSES)**

For the current fiscal year, the Commodity Credit Corporation shall not expend more than \$5,000,000 for site investigation and cleanup expenses, and operations and maintenance expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9607(g)), and section 6001 of the Resource Conservation and Recovery Act (42 U.S.C. 6961). (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

Program and Financing (in millions of dollars)

	2004 actual	2005 est.	2006 est.
Identification code 12-4336-0-3-999			

Obligations by program activity:			
00.01 Commodity purchases and related inventory transactions	3,005	4,668	3,746
00.02 Storage, transportation and other obligations	466	606	622
00.03 Export enhancement program		28	28
00.04 Market access program	116	117	141
00.05 Dairy export incentive program	15	6	52
00.07 Foreign market development cooperative	37	35	35
00.08 Quality Samples Program	1	2	3
00.10 Feed grains	2,902	7,873	7,327
00.11 Wheat	1,223	1,529	2,314
00.12 Rice	750	581	589
00.13 Cotton	1,474	2,883	2,138
00.14 Dairy Program	221	444	50
00.15 Tobacco Program		958	958

00.16 Peanut Program		194	249	212
00.17 Wool and Mohair Program		12	11	11
00.18 Honey				25
00.21 Dry Peas Program		19	26	29
00.23 Non-Insured Assistance Program		124	347	326
00.24 Oilseeds Payment Program		672	1,406	3,040
00.25 Marketing Loan Writeoffs		114	637	537
00.27 Crop Disaster Program		804	2,364	
00.32 Livestock Assistance		130	450	
00.33 State Payment Transfers			8	
00.34 American Indian Livestock Assistance			25	
00.35 Conservation reserve program (CRP)		1,786	1,847	1,926
00.46 Agricultural Management Assistance Program	1			
00.47 Reimbursable Agreement/Transfers to State and Federal Agencies		52	56	56
00.48 Treasury		104	380	447
00.49 Other Interest		7	7	7
00.52 Technical Assistance		13	87	90
00.57 Agricultural Management Assistance Program Technical Assistance		1		
00.58 Section 416b/FFP/GFEI/BEHT ocean transportation		122	103	79
01.92 Total support and related programs		14,365	27,733	24,788
09.01 Commodity loans		9,150	11,944	10,106
09.02 Commodities Procured—PL480 Titles II / III Commodity Costs		717	500	366
09.04 P. L. 480 ocean transportation		838	726	545
09.09 Subtotal, reimbursable programs		10,705	13,170	11,017
10.00 Total new obligations		25,070	40,903	35,805

Budgetary resources available for obligation:

22.00 New budget authority (gross)		39,984	40,903	35,640
22.10 Resources available from recoveries of prior year obligations		1,665		
22.22 Unobligated balance transferred from other accounts			20	
22.60 Portion applied to repay debt		-16,579	-20	165
23.90 Total budgetary resources available for obligation		25,070	40,903	35,805
23.95 Total new obligations		-25,070	-40,903	-35,805

New budget authority (gross), detail:

Discretionary:				
40.00 Appropriation		190		
40.35 Appropriation permanently reduced				-165
41.00 Transferred to other accounts		-210		
42.00 Transferred from other accounts		20		
43.00 Appropriation (total discretionary)				-165
Mandatory:				
60.00 Appropriation		22,748	12,456	25,690
60.47 Portion applied to repay debt		-21,111	-9,860	-23,248
61.00 Transferred to other accounts		-1,637	-2,596	-2,442
62.50 Appropriation (total mandatory)				
67.10 Authority to borrow		27,040	24,000	19,622
69.00 Offsetting collections (cash)		13,234	17,037	16,189
69.00 MARAD Cargo Preference Reimbursements		243	55	24
69.10 Change in uncollected customer payments from Federal sources (unexpired)		-203		
69.10 MARAD Cargo Preference Reimbursements		-330	-189	-30
69.90 Spending authority from offsetting collections (total mandatory)		12,944	16,903	16,183
70.00 Total new budget authority (gross)		39,984	40,903	35,640

Change in obligated balances:

72.40 Obligated balance, start of year		4,596	4,389	4,315
73.10 Total new obligations		25,070	40,903	35,805
73.20 Total outlays (gross)		-24,145	-41,166	-35,923
73.45 Recoveries of prior year obligations		-1,665		
74.00 Change in uncollected customer payments from Federal sources (unexpired)		533	189	30
74.40 Obligated balance, end of year		4,389	4,315	4,227

Outlays (gross), detail:

86.90 Outlays from new discretionary authority				-165
86.97 Outlays from new mandatory authority		17,039	24,584	19,978
86.98 Outlays from mandatory balances		7,106	16,582	16,110
87.00 Total outlays (gross)		24,145	41,166	35,923

Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00 Sales to special activities		-717	-500	-367

Public enterprise funds—ContinuedCOMMODITY CREDIT CORPORATION FUND—Continued
(LIMITATION ON EXPENSES)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4336-0-3-999		2004 actual	2005 est.	2006 est.
88.00	Advances from Foreign Assistance Programs (P.L. 480)	−1,203	−1,196	−897
88.00	Other Revenue	−2,858	−55	−24
88.00	Tobacco Assessments .....	.....	−958	−1,189
88.40	Sales and other proceeds	−230	−198	−532
88.40	Interest Revenue	−113	−46	−117
88.40	Loans Repaid	−7,667	−11,369	−10,322
88.40	Commodity Certificates Redeemed	−635	−2,709	−2,699
88.40	Export Credit Sales Program Repayments	−29	−39	−47
88.40	Interest Revenue	−25	−22	−19
88.90	Total, offsetting collections (cash)	−13,477	−17,092	−16,213
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	533	189	30
Net budget authority and outlays:				
89.00	Budget authority	27,040	24,000	19,457
90.00	Outlays	10,668	24,074	19,710

Summary of Budget Authority and Outlays

(in millions of dollars)

	2004 actual	2005 est.	2006 est.
Enacted/requested:			
Budget Authority	27,040	24,000	19,457
Outlays	10,668	24,074	19,710
Legislative proposal, subject to PAYGO:			
Budget Authority .....	.....	.....	−587
Outlays .....	.....	.....	−587
Total:			
Budget Authority	27,040	24,000	18,870
Outlays	10,668	24,074	19,123

Performance Metrics

Identification code 12-4336-0-3-999		2004 actual	2005 est.	2006 est.
Direct Crop Payments:				
43801	Percentage of gross farm income from government payments (%) .....	.....	6.08%	.....
43802	Reduction in erroneous payments (%) .....	.....	0.05%	.....
Bioenergy:				
100001	Ethanol's share of total transportation fuel use and biodiesel's share of total diesel fuel use .....	.....	.....	3.75% of total
100001	Program activity and Metrics .....	.....	.....	0.875%
100002	Increase in production of biodiesel (million gallons) .....	.....	4	4
100003	Increase in production of ethanol (million gallons)	200	.....	200

Status of Direct Loans (in millions of dollars)

Identification code 12-4336-0-3-999		2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	312	270	232
1251	Repayments: Repayments and prepayments	−29	−38	−47
1261	Adjustments: Capitalized interest	−13	.....	.....
1290	Outstanding, end of year	270	232	185
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....	.....	.....	.....
1131	Direct loan obligations exempt from limitation	9,150	11,944	10,106
1150	Total direct loan obligations	9,150	11,944	10,106
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	1,644	1,802	1,703
1231	Disbursements: Direct loan disbursements	9,150	11,944	10,106
1251	Repayments: Repayments and prepayments	−8,932	−11,369	−10,322
Write-offs for default:				
1263	Direct loans	−18	.....	.....
1264	Other adjustments, net	−42	−674	−18
1290	Outstanding, end of year	1,802	1,703	1,469

The Commodity Credit Corporation (CCC) was created to: stabilize, support, and protect farm income and prices; help maintain balanced and adequate supplies of agricultural commodities, their products, foods, feeds, and fibers; and help in their orderly distribution.

The Corporation's capital stock of \$100 million is held by the U.S. Treasury. Under present law, up to \$30 billion may be borrowed from the U.S. Treasury to finance operations.

Current, indefinite appropriation authority is requested to cover all net realized losses. Appropriations to the Corporation for net realized losses have no effect on budget authority, as they are used to repay debt directly with the Treasury.

Budget assumptions.—The following general assumptions form the basis for the Corporation's 2005 and 2006 budget estimates: (a) national income will rise both in 2005 and 2006 from the present level; (b) 2005 crop production will decrease from 2004 crop levels for some commodities; (c) generally, exports of agricultural commodities in 2006 are expected to be lower than 2005 levels; (d) yields for the 2005 crops are based on recent averages adjusted for trends; and (e) acreage allotments and marketing quotas will be in effect for the 2004 crops of certain kinds of tobacco.

It is difficult to accurately forecast requirements for the year ending September 30, 2006, since the projections are subject to complex and unpredictable factors such as weather, other factors which affect the volume of production of crops not yet planted, feed and food needs here and overseas, and available dollar exchange.

In 2003, USDA announced it had reserved 2 million Conservation Reserve Program acres for the continuous signup program. Within this reserved amount, USDA will make a special effort to help enhance wildlife habitat and sequester carbon by setting aside 500 thousand acres for bottomland hardwood tree planting. In 2004, USDA further enhanced CRP by announcing the Northern Bobwhite Quail Initiative and additional wetland restoration initiatives. Also in 2004, the Administration announced its commitment to full enrollment of CRP and that USDA will offer early reenrollment and extensions of expiring contracts. During 2004, about 275 thousand acres were signed up for continuous practices in signup 28. Together with the 2 million acres already enrolled, this maintains the 4-million-acre goal for continuous signup.

The 2001 Appropriations Act authorized the Secretary to enroll 500,000 acres during 2001 and 2002 for a Farmable Wetlands Pilot Program and required that the acreage enrolled not reduce the continuous-signup or CREP acreage. This authorization was expanded in the 2002 Farm Bill to include 1 million acres and all States.

A general signup was held in 2004. Approximately 1.2 million acres were accepted in the program.

P.L. 108-498, signed into law December 23, 2004, provides independent authority beginning October 1, 2004, for CRP funds to be used for technical assistance.

Appropriations are made to reimburse the Corporation for net realized losses sustained in carrying out its operations.

The 2002 Farm Bill provided a total of \$176 billion for payments to the farm sector, a 74 percent increase over the assistance the previous Farm Bill would have provided in the absence of any additional emergency assistance. Not all of this assistance is appropriately targeted, and many of the programs may need to be reformed as a result of any new multilateral long-term trade agreements. Therefore, the Administration is proposing the following legislative changes to reduce agricultural subsidies, promote more efficient production decisions, and extend expiring programs:

- Reducing the payment limit cap for individuals to \$250,000 for crop payments, including all types of marketing loan gains, while removing the three-entity-rule.
- Basing marketing loans on historical production.

- Reducing crop and dairy payments to farmers by 5 percent. Payments to farmers from all commodity programs (e.g. marketing loans, direct and counter-cyclical payments) would be calculated and payments would be reduced by 5 percent.
- The dairy price support program would be required to minimize expenditures.
- A sugar marketing assessment is to be paid by sugar processors on all processed sugar.
- Extending the Milk Income Loss Compensation program for two years.

2005 ESTIMATE			
Program	[In millions of dollars]		
	Gross obligations	Net outlays	Net realized loss for year
Farm income, marketing assistance loans, and price support:			
Commodity loans	11,944	5,023	0
Feed grain payments	7,873	7,969	7,873
Wheat payments	1,529	1,527	1,529
Rice payments	581	589	581
Cotton payments	2,873	2,800	2,873
Export enhancement program	28	28	28
Other support and related	12,171	3,415	10,311
Other items not distributed by program:			
Interest	387	153	319
All other	190	427	190
Total, farm income, marketing assistance loans, and price-support programs	35,577	21,930	23,705
Conservation programs:			
Conservation reserve program	1,937	1,937	1,937
Environmental quality incentives program			
Wetlands reserve program		38	38
Farmland protection program			
Soil and water conservation program		4	4
Other conservation programs			
Total, conservation programs	1,937	1,979	1,979
Total, Commodity Credit Corporation	37,514	23,909	25,684

PROGRAMS OF THE CORPORATION

Price support, marketing assistance loans, and related stabilization programs.—The Corporation conducts programs to support farm income and prices and stabilize the market for agricultural commodities. Price support is provided to producers of agricultural commodities through loans, purchases, payments, and other means. This is done mainly under the Commodity Credit Corporation Charter Act, as amended, the Agricultural Act of 1949 (the 1949 Act), as amended, and the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill).

Price support is mandatory for tobacco through 2004 and dairy products. Marketing assistance loans are mandatory for wheat, feed grains, oilseeds, upland cotton, peanuts, and rice. Loans are also required to be made for sugar, honey, wool, mohair, extra long staple cotton, and the pulse crops.

One method of providing support is loans to and purchases from producers. With limited exceptions, loans made on commodities are nonrecourse. The commodities serve as collateral for the loan and on maturity the producer may deliver or forfeit such collateral to satisfy the loan obligation without further payment.

Direct purchases may be made from processors as well as producers, depending on the commodity involved. Also, special purchases are made under various laws for the removal of surpluses; for example, the Act of August 19, 1958, as amended, and section 416 of the Agricultural Act of 1949, as amended.

Direct Payments and Counter-Cyclical Payments. The 2002 Farm Bill established direct payments and counter-cyclical payments for May 2002 through 2007. The eligible commodities for both direct payments and counter-cyclical payments are wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, other oilseeds, and peanuts.

Direct Payments are payments to producers for which payment yields and base acres are established. The commodity payment amount is calculated as follows: Payment Amount = specified rate \times payment acres \times payment yield. At the option of the producer, the producer can choose to receive advance payments (up to 50%) during the producer's selected month. The month selected may be any month during the period beginning on December 1 of the calendar year before the calendar year in which the crop of the covered commodity is harvested through the month within which the direct payment would otherwise be made.

Counter-Cyclical Payments are payments to producers for which payment yields and base acres are established for eligible commodities if it is determined that the effective commodity price is less than the target commodity price. Counter-cyclical payments will be made for the crop as soon as practicable after the end of the 12-month marketing year for the eligible commodity. If, before the end of the 12-month marketing year it is determined that counter-cyclical payments will be required for the eligible commodity, producers will be provided the option to receive partial payment of the projected counter-cyclical payment.

Marketing assessments. The 1949 Act mandated assessments for tobacco, and the 1996 Act required such assessments for peanuts and sugar. The 2000 Act suspended sugar marketing assessment collections through 2001. The 2002 Farm Bill did not resume the sugar marketing assessment collections. Tobacco marketing assessments were authorized through crop year 1998.

Marketing assistance loans. The 2002 Farm Bill authorized producers of eligible crops to receive non-recourse marketing assistance loans from the government for any quantity of a loan commodity produced on the farm by pledging their production as loan collateral. This loan shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made. The loan cannot be extended. As a condition of the receipt of a marketing assistance loan, the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 and applicable wetland protection requirements under subtitle C of title XII of the Act during the term of the loan. Producers of eligible commodities can repay a marketing assistance loan at a rate that is the lesser of (1) the loan rate established for the commodity plus interest; or (2) a rate that the Secretary determines. Special rules apply to upland cotton, rice, and extra long staple cotton. Crops eligible for marketing assistance loans include wheat, corn, barley, oats, grain sorghum, rice, upland cotton, soybeans, extra long staple cotton, other oilseeds, dry peas, lentils, small chickpeas, honey, wool, and mohair.

Peanut price support program. Under the 2002 Farm Bill, peanuts qualify for direct payments, counter-cyclical payments, marketing assistance loans and loan deficiency payments for the 2002 through 2007 crops.

The 2002 Farm Bill terminated the marketing quota programs and repealed price support programs. The prior quota programs stayed in effect for the 2001 crop only, with quota buyout compensation payments being made during fiscal years 2002 through 2006. The prior price support programs remained in effect for the 2002 crop only, notwithstanding any other provision of law or crop insurance policy.

The 2002 Farm Bill established marketing assistance loans for the 2002 through 2007 crops, with the loan rate for peanuts of \$355 per ton. The payment rate shall be the amount by which the established loan rate exceeds the rate at which a loan may be repaid. The Farm Bill also requires that for crop years 2002 through 2006 CCC will pay storage, handling, and other associated costs to ensure proper storage of peanuts for which a loan is made. This authority terminates beginning with the 2007 crop.

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

PROGRAMS OF THE CORPORATION—Continued

Tobacco program. The American Jobs Creation Act of 2004, P.L. 108-357, eliminated the program effective with the 2005 crop. In return for losing the program, growers and quota holders will receive a buyout. The owners of quota will be paid \$7 per pound for the quota they hold. The actual producers will be paid \$3 per pound for the quota they produced. The legislation eliminates all geographic and poundage restrictions on tobacco production as well as price support. The buyout will be funded by assessments on the tobacco product manufacturers and importers. The program will cost \$10.14 billion, and the growers and quota holders will be paid over a 10-year period.

Sugar program. Sugar qualifies for price support. The 2002 Farm Bill extended the national average sugar loan rates to cover through the 2007 crops at 18 cents per pound for raw cane sugar and 22.9 cents per pound for refined beet sugar. Loans are available to processors of domestically grown sugarcane and sugar beets for a term of nine months that does not begin or extend beyond the end/beginning of a fiscal year. The non-recourse loans are extended through the 2007 crop for processors of domestically produced sugar beets and sugarcane including for in-process sugar. Loans for in-process sugar have a loan rate of 80% of the loan rate for raw cane sugar or refined beet sugar (based on the source material used). If forfeitures occur, the processor shall convert the in-process into final product at no cost to the CCC. Upon transfer, the processor will receive payment based on the loan rate less 80% of raw cane or refined beet sugar rate times the quantity of sugar transferred. The loan program is assumed to continue through the 2012 crop. The 2002 Farm Bill did not resume the sugar marketing assessment collections but authorized marketing allotments. The 2002 Act provides assistance for sugar donations in the amount of 10,000 tons to compensate sugar producers who suffer losses incurred beyond existing CCC administered programs.

Dairy program. The 2002 Farm Bill extended the Dairy Price Support Program from June 1, 2002 through December 31, 2007 at a rate of \$9.90 per hundredweight for milk containing 3.67% butterfat. The support program is carried out through the purchase of butter, nonfat dry milk, and cheese at prices that enable processors to pay dairy farmers, on average, the support price for milk. As under previous law, the Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that minimizes CCC expenditures or other objectives, as the Secretary considers appropriate. Cash CCC inventory sales (with some exceptions) shall be at any price that the Secretary determines will maximize CCC returns. The 2002 Farm Bill repealed all legislative authority for the Dairy Recourse Loan Program but established a new Milk Income Loss Contract Program (MILC), under which the Secretary may contract with eligible producers up to September 30, 2005, to make monthly payments when milk prices fall below specified levels. The Administration proposes extending the MILC program through December 31, 2007, the duration of the 2002 Farm Bill.

Market loss assistance payments. The 2001 Appropriations Act provided \$99.8 million and the 2002 Appropriations Act provided \$75 million to apple producers for market loss assistance. The 2002 Farm Bill provided \$94 million in additional assistance, increasing apple market loss assistance to \$268.8 million. The 2002 Farm Bill also provided a \$10 million grant to the state of New York for market loss assistance to onion producers who suffered losses to onion crops during 1 or more of the 1996 through 2000 crop years.

Payment Limitations. In general, the 2002 Farm Bill revised the Food Security Act of 1985 (7 U.S.C. 1308) for payment limitations. The total amount of direct payments made to a person during any crop year for 1 or more covered commodities may not exceed \$40,000. The total amount of counter-cyclical payments made to a person during any crop year for 1 or more covered commodities may not exceed \$65,000. Separate limits apply to direct and counter-cyclical payments for peanuts. The total amount of gains and payments that a person may receive during any crop year under marketing assistance loan and loan deficiency payment provisions may not exceed \$75,000. Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described above if the average adjusted annual gross income of the individual or entity exceeds \$2,500,000, unless not less than 75 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations, as determined by the Secretary. This shall apply during the 2003 through 2007 crop years.

Disaster Payments. The Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005, P.L. 108-324, authorized more than \$3 billion in financial relief for farmers, ranchers, foresters, and other agricultural producers who incurred losses due to weather conditions in recent years.

Noninsured Assistance Program. The Agricultural Risk Protection Act of 2000 eliminated the area loss requirement for triggers and made other changes. It also included a provision that all types or varieties of a crop or commodity may be considered to be a single eligible crop for NAP assistance.

Bioenergy Program. The 2006 President's Budget assumes CCC will continue to make incentive payments, under the Bioenergy Program, to ethanol, biodiesel, and other bioenergy producers to expand production of bio-based fuels. Payments shall be made on a portion of the increase in agricultural commodities purchased for expanded bioenergy production, with smaller and cooperatively-owned facilities receiving higher payment rates. This program is authorized by the CCC Charter Act. The 2002 Farm Bill extends the program through FY 2006 at the program level of \$150 million per year. The 2006 budget assumes a reduction in funding to \$60 million.

Foreign Market Development and Food Assistance Programs—

Dairy Export Incentive Program (DEIP). DEIP provides cash bonus payments to exporters to facilitate commercial sales of U.S. dairy products in overseas markets. Estimates of the quantity of dairy products to be exported under DEIP and associated expenditures were formulated within the maximum allowable expenditure and quantity levels specified in conjunction with provisions of the Uruguay Round Agreement. Consequently, current baseline projections assume that DEIP will not exceed \$116.6 million annually during FYs 2002–2012. Actual DEIP subsidies are further limited on a product-by-product basis under the Uruguay Round.

Export Enhancement Program (EEP). Current baseline projections assume an EEP annual program level for FYs 2003–2013 will be \$28 million. However, the 2002 Farm Bill authorizes funding up to \$478 million annually for EEP through 2007, which will be available for EEP programming should market conditions warrant. Actual subsidies for EEP are further limited on a product-by-product basis under the Uruguay Round.

Market Access Program (MAP). Under the MAP, CCC Funds are used to reimburse participating organizations for a portion of the costs of carrying out overseas marketing and promotional activities. The 2002 Farm Bill continued the authority for the MAP program and increased the funding as follows: \$100 million for FY 2002, \$110 million for FY 2003, \$125

million for FY 2004, \$140 million for FY 2005, and \$200 million for FY 2006 and 2007. The 2006 Budget assumes funding of \$125 million for FY 2006.

Foreign Market Development Cooperator Program (FMD) and Quality Samples Program. Under the FMD program, cost-share assistance is provided to nonprofit commodity and agricultural trade associations to support overseas market development activities that are designed to remove long-term impediments to increased U.S. trade. The 2002 Farm Bill increased the available funds for this program to \$34.5 million for each of fiscal years 2002 through 2007.

CCC will fund the Quality Samples Program at an authorized annual level of \$2.5 million. Under this initiative, samples of U.S. agricultural products will be provided to foreign importers to promote a better understanding and appreciation for the high quality of U.S. products.

Commodity Donations. The 2002 Farm Bill authorizes the donation of surplus commodity inventory to domestic nutrition programs. The Corporation may also donate commodities under the authority of section 416(b) of the Agricultural Act of 1949 to carry out programs of assistance in developing countries and friendly countries and pay costs associated with making the commodities available. Commodities that are acquired by CCC in the normal course of its domestic support operations will be available for donation. The current CCC inventory has nonfat dry milk available for donation. The Corporation may also use its funds to furnish commodities overseas under the authority of the Food for Progress Act of 1985; however, not more than \$40 million of the funds of the Corporation (exclusive of the costs of commodities) may be used for each fiscal year.

The Bill Emerson Humanitarian Trust. The Bill Emerson Humanitarian Trust (BEHT) is a commodity reserve that was established to ensure that the United States can meet its international food aid commitments. Commodities authorized for the 4-million-ton reserve include wheat, corn, grain sorghum, and rice. The Secretary is authorized to release up to 500,000 metric tons for urgent humanitarian relief in disasters in the case of unanticipated need and to release an additional 500,000 metric tons of eligible commodities that could have been released but were not released in previous years. The Secretary is authorized to release eligible commodities from the reserve when supplies are so limited that eligible commodities cannot be made available for programming under P.L. 480. The 2002 Farm Bill extended the authorization to replenish the BEHT through FY 2007. CCC is authorized to hold funds as well as commodities in the reserve.

Conservation programs.—Title II of the Farm Security and Rural Investment Act of 2002, P.L. 107-171, authorizes funding for new and existing conservation programs implemented by the Farm Service Agency or the Natural Resources Conservation Service and funded through the Commodity Credit Corporation. The bill provides additional funding to help farmers adopt and maintain conservation systems that protect water quality, reduce soil erosion, protect and enhance wildlife habitat and wetlands, conserve water, and sequester carbon. One such program is the Conservation Reserve Program administered by FSA.

Up to 39.2 million acres may be enrolled at any one time. CRP is USDA's largest conservation/environmental program. The purpose of CRP is to cost-effectively assist farm owners and operators in conserving and improving soil, water, air, and wildlife resources by converting highly erodible and other environmentally sensitive acreage normally devoted to the production of agricultural commodities to a long-term resource-conserving cover. CRP participants enroll contracts for periods from 10 to 15 years in exchange for annual rental payments and cost-share and technical assistance for installing approved conservation practices.

The CRP is authorized in all 50 States, Puerto Rico, and the Virgin Islands, on all highly erodible cropland, other environmentally sensitive cropland, and certain marginal pastureland meeting the eligibility criteria. In addition to cropland in areas adjacent to lakes and streams that can be devoted to filter strips, and cropland subject to overflow and suffering from scour erosion, eligible land may include cropland contributing to water quality problems, and other lands posing environmental threats. Also eligible for the CRP are water quality or wildlife habitat impaired areas that do not meet the highly erodible land (HEL) criteria, such as the Chesapeake Bay, Great Lakes, and Long Island Sound watershed regions.

The financial assistance for conservation programs where the Natural Resources Conservation Service (NRCS) is the lead agency, is transferred from CCC to NRCS's Farm Security and Rural Investment Programs account (see the NRCS section). Specifically, these programs include the Environmental Quality Incentives Program, Wetlands Reserve Program, Wildlife Habitat Incentives program, Farm and Ranch Lands Protection Program, Conservation Security Program, and Grassland Reserve Program.

The Agricultural Risk Protection Act of 2000 authorized CCC funding of \$10 million for 2001 and subsequent years for the Agricultural Management Assistance Program (AMAP). AMAP provides cost-share assistance to producers in not less than 10, nor more than 15, States in which the Federal Crop Insurance Program is historically low as determined by the Secretary of Agriculture. The 2002 Farm Bill increased CCC funding to \$20 million annually. The Secretary delegated authority to Natural Resources Conservation Service, Risk Management Agency, and the Agricultural Marketing Service. The 2006 Budget assumes the \$14 million authorized for use by the Natural Resources Conservation Service will not be funded because the assistance AMAP provides is duplicative of other priority conservation programs, such as the Environmental Quality Incentives Program.

Loan operations.—The following table reflects commodity loan operations of the Corporation:

Item	[In millions of dollars]		
	2004 actual	2005 est.	2006 est.
Loans outstanding, gross, start of year:			
Commodity Credit Corporation	1,644	1,802	1,703
Additional loans made	9,150	11,944	10,106
Deduct:			
Loans repaid	–8,932	–11,369	–10,322
Acquisition of loan collateral	–25	–673	–18
Write-offs	–35	0	0
Total loans outstanding, gross, end of year	1,802	1,704	1,469

Inventory operations.—The following table reflects the inventory operations applicable to the preceding programs:

AGRICULTURAL COMMODITIES	[In millions of dollars]		
Item	2004 actual	2005 est.	2006 est.
On hand, start of year, gross	1,984	950	1,221
Acquisitions:			
Forfeiture of loan collateral	25	673	18
Excess of collateral acquired over loans canceled	0	0	0
Purchases	2,227	4,744	3,734
Transfers and exchanges	–255	–101	–4
Carrying charges:			
Charges to inventory	31	25	15
Storage and handling (non-add)	90	110	98
Transportation (non-add)	22	15	8
Total acquisitions	2,028	5,341	3,763
Dispositions:			
Domestic donations to:			
Families	115	102	27

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

PROGRAMS OF THE CORPORATION—Continued

Item	[In millions of dollars]		
	2004 actual	2005 est.	2006 est.
Institutions	316	154	62
School lunch	0	0	0
Total domestic donations	431	256	89
Export donations	214	216	216
Sales and transfers:			
Special programs: Title II, Public Law 480	717	500	366
Title III, Public Law 480	0	0	0
Other sales	865	2,892	3,216
Net loss or gain (—) on sales and transfers	836	1,207	760
Total sales and transfers	2,418	4,599	4,343
Total dispositions	3,063	5,071	4,648
On hand, end of year, gross	950	1,221	337
Allowances for losses	—809	—1,040	—287
On hand, end of year, net	141	181	50

Other data.—The following table reflects other data which are applicable to price support and related programs:

DATA ON SUPPORT AND RELATED PROGRAMS

Item	[In millions of dollars]		
	2004 actual	2005 est.	2006 est.
Loans made	9,150	11,944	10,106
Loans repaid	8,932	11,369	10,322
Loan collateral forfeited	25	673	18
Loans outstanding, end of year	1,802	1,703	1,469
Acquisitions	2,028	5,341	3,763
Cost of commodities sold	2,418	4,599	4,343
Cost of commodities donated	645	471	305
Inventory, end of year	950	1,221	337
Investment in loans and inventory, end of year	2,752	2,924	1,806
Direct producer payments	10,089	21,202	19,037
Net expenditures	10,574	23,893	19,631
Realized losses	12,456	25,690	23,103

Operating expenses.—The Corporation carries out its functions through utilization of employees and facilities of other Government agencies. Administrative expenses are incurred by: the Farm Service Agency (FSA); the Foreign Agricultural Service; the Natural Resources Conservation Service; the Risk Management Agency; other agencies of the Department engaged in the Corporation's activities; and the Office of the Inspector General for audit functions. Additional expenses are incurred by FSA county offices for work related to programs of the Corporation, other FSA expenses offset by revenue, custodian, and agency expenses of the Federal Reserve banks and lending agencies, and miscellaneous costs.

Expenses are incurred for acquisition, operation, maintenance, improvement, or disposition of existing property that the Corporation owns or in which it has an interest. These expenses are treated as program expenses. Such program expenses include inspection, classing, and grading work performed on a fee basis by Federal employees or Federal- or State-licensed inspectors; and special services performed by Federal agencies within and outside this Department. Most of these general expenses, including storage and handling, transportation, inspection, classing and grading, and producer storage payments, are included in program costs. They are shown in the program and financing schedule in the entries entitled "Storage, transportation, and other obligations not included above," and "Producer storage payments."

Section 161 of the 1996 Act amended Section 11 of the CCC Charter Act to limit the use of CCC funds for the transfer and allotment of funds to State and Federal agencies. The Section 11 cap of \$56 million including FSA loan service fees remains at \$56 million in fiscal year 2005.

The Corporation receives reimbursement for grain requisitioned pursuant to Public Law 87-152 by the States from Corporation stocks to feed resident wildlife threatened with starvation through the appropriation reimbursement for net realized losses. There have been no requisitions in recent years, however. The Corporation receives reimbursement for the commodity costs and other costs, including administrative costs, for commodities supplied to domestic nutrition programs and international food aid programs.

FINANCING

Borrowing authority.—The Corporation has an authorized capital stock of \$100 million held by the U.S. Treasury and, effective in 1988, authority to have outstanding borrowings up to \$30 billion at any one time.

Funds are borrowed from the Treasury and may also be borrowed from private lending agencies and others. The Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made to the Corporation by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the Act of March 8, 1938.

Interest on borrowings from the Treasury (and on capital stock) is paid at a rate based upon the average interest rate of all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. Interest is also paid on other notes and obligations at a rate prescribed by the Corporation and approved by the Secretary of the Treasury.

The Department of Agriculture and Related Agencies Appropriation Act, 1966, made provision for terminating interest after June 30, 1964 on the portion of the Corporation's borrowings from the Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after the end of the fiscal year in which such losses are realized.

POSITION WITH RESPECT TO BORROWING AUTHORITY, END OF YEAR

Item	[In millions of dollars]		
	2004 actual	2005 est.	2006 est.
Statutory borrowing authority	30,000	30,000	30,000
Deduct: Borrowings from Treasury	8,735	22,237	19,136
Net statutory borrowing authority available	21,265	7,763	10,864

Note.—Accounts payable, accrued liabilities, and other outstanding obligations not reflected on this table do not become charges against the statutory borrowing authority until they result in borrowings from the Treasury.

Contract authority.—Price support and other programs required by statute may result in the Corporation incurring obligations in excess of available funds and borrowing authority. Such obligations are liquidated from subsequent appropriations and other funds that may become available to the Corporation. Any increase in obligations in excess of available fund resources is reported as contract authority in the year involved; a decrease is reported as the application of appropriations and other funds to liquidate the authority.

Appropriations.—Under section 2 of Public Law 87-155 annual appropriations are authorized for each fiscal year to reimburse the Corporation for net realized losses incurred as of the close of each year.

The special activities are financed as indicated in the program descriptions above. In addition to certain reimbursements from other agencies, appropriations are made for foreign assistance programs.

Deficit.—The net realized losses of the Corporation have previously been reimbursed as follows:

SUPPORT AND RELATED PROGRAMS

Realized losses, 1933 to 2004, inclusive	2004 actual	2005 est.
Reimbursements by the Treasury:		
Reimbursements of realized losses:		
Appropriations (64 times)	377,399	393,013

Note cancellations (6 times)	2,698	.....
Less dividends paid to Treasury (4 times)	—138	.....
 Total reimbursements for net realized losses	<u>379,959</u>	<u>.....</u>
 Other reimbursements:		
Appropriations (2 times)	542	.....
Note cancellation (1 time)	56	.....
 Total other reimbursements	<u>598</u>	<u>.....</u>
 Total	<u>380,557</u>	<u>.....</u>
Realized deficit as of September 30, 2003, support and related programs	<u>12,456</u>	<u>.....</u>

Commodity Certificates.—Subtitle B of the 2000 Act allows for the use of commodity certificates. In making in-kind payments, CCC may (a) “acquire and use commodities that have been pledged to the Commodity Credit Corporation as collateral for loans made by the Corporation;” (b) “use other commodities owned by the Commodity Credit Corporation;” and (c) “redeem negotiable marketing certificates for cash under terms and conditions established. Commodity certificates discourage producers from forfeiting commodities pledged as collateral for CCC commodity loans. Certificates are used to repay marketing assistance loans when the adjusted world price (for rice and upland cotton) or the posted county price (for wheat, feed grains, soybeans, wool, mohair, honey, peanuts, dry peas, lentils, small chickpeas, and designated minor oilseeds) is lower than the applicable loan rate. The Budget assumes that commodity certificates may be exchanged for loan collateral through crop year 2015.

Balance Sheet (in millions of dollars)

Identification code 12-4336-0-3-999	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	—1,495	—1,089
Investments in US securities:		
1106 Receivables, net	1,657	1,153
1107 Advances and prepayments	6	3
Non-Federal assets:		
1206 Receivables, net	42	439
1207 Advances and prepayments	91	35
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	1,998	2,107
1602 Interest receivable	138	88
1603 Allowance for estimated uncollectible loans and interest (—)	—72	—103
1604 Direct loans and interest receivable, net	2,064	2,092
1699 Value of assets related to direct loans	2,064	2,092
Other Federal assets:		
1801 Cash and other monetary assets	51	.....
1802 Inventories and related properties	276	141
1803 Property, plant and equipment, net	29	48
1999 Total assets	2,721	2,822
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable	1,565	1,037
2102 Interest payable	91	72
2103 Debt	18,653	8,738
2105 Other	1,212	2,142
Non-Federal liabilities:		
2201 Accounts payable	485	314
2207 Other	5,513	5,456
2999 Total liabilities	27,519	17,799
NET POSITION:		
3300 Cumulative results of operations	—24,798	—14,937
3999 Total net position	—24,798	—14,937
4999 Total liabilities and net position	2,721	2,822

Note: Consistent with government-wide practice, information for 2004 and 2005 was not required to be collected. Note.—In addition to obligations other than liabilities, the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established.

Object Classification (in millions of dollars)			
Identification code 12-4336-0-3-999	2004 actual	2005 est.	2006 est.
Direct obligations:			
22.0 Transportation of things	144	117	87
25.2 Other services	476	523	490
25.2 Other services: Storage and handling	90	110	98
26.0 Supplies and materials: Costs of commodities sold or donated	3,005	4,668	3,746
41.0 Grants, subsidies, and contributions	10,540	21,928	19,913
43.0 Interest and dividends	110	387	454
99.0 Direct obligations	14,365	27,733	24,788
Reimbursable obligations:			
22.0 Transportation of things: P. L. 480 ocean transportation	838	726	545
26.0 Supplies and materials—Cost of Commodities Procured/Donated—PL 480	717	500	366
33.0 Investments and loans	9,150	11,944	10,106
99.0 Reimbursable obligations	10,705	13,170	11,017
99.9 Total new obligations	25,070	40,903	35,805

COMMODITY CREDIT CORPORATION FUND (Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-4336-4-3-999	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	—587
10.00 Total new obligations (object class 41.0)	—587
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	—587
23.95 Total new obligations	587
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	—587
Change in obligated balances:			
72.40 Obligated balance, start of year
73.10 Total new obligations	—587
73.20 Total outlays (gross)	587
74.40 Obligated balance, end of year
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	—587
Net budget authority and outlays:			
89.00 Budget authority	—587
90.00 Outlays	—587

The 2002 Farm Bill provided a total of \$176 billion in farm-related assistance, a 74-percent increase over the assistance the previous Farm Bill would have provided in the absence of any additional emergency assistance. Not all of this assistance is appropriately targeted, and many of the programs may need to be reformed as a result of any new multilateral long-term trade agreements. Therefore, the Administration is proposing the following legislative changes to reduce agricultural subsidies, promote more efficient production decisions, and extend expiring programs:

- Reducing the payment limit cap for individuals to \$250,000 for commodity payments, including all types of marketing loan gains, while removing the three-entity-rule.
- Basing marketing loans on historical production.
- Reducing crop and dairy payments to farmers by five percent. Payments to farmers from all commodity programs (e.g., marketing loans, direct and counter-cyclical payments) would be calculated and payments would be reduced by five percent.

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

- Requiring the dairy price support program to minimize expenditures.
- Imposing a sugar marketing assessment to be paid by sugar processors on all processed sugar.
- Extending the Milk Income Loss Compensation program for two years.

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM
ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, **[\$4,423,000]** \$5,279,000; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which **[\$3,421,000]** \$3,440,000 may be transferred to and merged with the appropriation for "Foreign Agricultural Service, Salaries and Expenses", and of which **[\$1,002,000]** \$1,839,000 may be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses". (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-1336-0-1-351	2004 actual	2005 est.	2006 est.
0101 Negative subsidies/subsidy reestimates	432	429	.....

Program and Financing (in millions of dollars)

Identification code 12-1336-0-1-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy	457	309	393
00.07 Reestimates of subsidy	60	104	.....
00.08 Interest on reestimates	9	6	.....
00.09 Administrative expenses	4	4	5
10.00 Total new obligations	530	423	398

Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	384	458	308
22.00 New budget authority (gross)	604	423	398
22.40 Capital transfer to general fund .....	.....	-150	-308
23.90 Total budgetary resources available for obligation	988	731	398
23.95 Total new obligations	-530	-423	-398
24.40 Unobligated balance carried forward, end of year	458	308	.....

New budget authority (gross), detail:			
<i>Discretionary:</i>			
40.00 Appropriation	4	4	5
<i>Mandatory:</i>			
60.00 Appropriation	531	309	393
60.00 Appropriation—upward reestimate	69	110	.....
62.50 Appropriation (total mandatory)	600	419	393
70.00 Total new budget authority (gross)	604	423	398

Change in obligated balances:			
72.40 Obligated balance, start of year	154	364	357
73.10 Total new obligations	530	423	398
73.20 Total outlays (gross)	-320	-430	-373

74.40 Obligated balance, end of year	364	357	382
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Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	4	4	5
86.97 Outlays from new mandatory authority	316	326	275
86.98 Outlays from mandatory balances .....	.....	100	93
87.00 Total outlays (gross)	320	430	373

Net budget authority and outlays:			
89.00 Budget authority	604	423	398

90.00 Outlays	320	430	373
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Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1336-0-1-351	2004 actual	2005 est.	2006 est.
<i>Guaranteed loan levels supportable by subsidy budget authority:</i>			
215001 Export guarantee program	4,318	4,528	4,396
215901 Total loan guarantee levels	4,318	4,528	4,396
<i>Guaranteed loan subsidy (in percent):</i>			
232001 Export guarantee program	10.58	6.83	8.93
232901 Weighted average subsidy rate	10.58	6.83	8.93
<i>Guaranteed loan subsidy budget authority:</i>			
233001 Export guarantee program	457	309	393
233901 Total subsidy budget authority	457	309	393
<i>Guaranteed loan subsidy outlays:</i>			
234001 Export guarantee program	247	316	368
234901 Total subsidy outlays	247	316	368
<i>Guaranteed loan upward reestimate subsidy budget authority:</i>			
235001 Export guarantee program	69	110	.....
235901 Total upward reestimate budget authority	69	110	.....
<i>Guaranteed loan downward reestimate subsidy budget authority:</i>			
237001 Export guarantee program	-432	-429	.....
237901 Total downward reestimate subsidy budget authority	-432	-429	.....
<i>Administrative expense data:</i>			
351001 Budget authority—administrative expenses	4	4	5
359001 Outlays from new authority	4	4	5

This is the program account for the GSM-102 and GSM-103 CCC Export Credit Guarantee Programs. The Export Credit Guarantee Program (GSM-102) covers credit terms of up to 3 years. The Intermediate Export Credit Guarantee Program (GSM-103) covers longer credit terms of between 3 and 10 years. Under these programs, CCC does not provide financing, but guarantees payments due from foreign banks and buyers. Because payment is guaranteed, financial institutions in the United States can offer competitive credit terms to foreign banks, usually with interest rates based on the London Inter-Bank Offered Rate (LIBOR). If the foreign bank fails to make any payment as agreed, the exporter or assignee must submit a notice of default to the CCC. A claim for loss must be filed, and the CCC will promptly pay claims found to be in good order. CCC usually guarantees 98 percent of the principal payment due and interest based on a percentage of the one-year Treasury rate.

A portion of the guarantees made available under the GSM-102 program is provided as Supplier Credit Guarantees. Under this activity, CCC guarantees a portion of payment due from importers under short-term financing (for up to 180 days) that exporters have extended directly to the importers for the purchase of U.S. agricultural commodities and products. CCC does not provide financing, but guarantees payment due from an importer. A substantially smaller portion of the value of exports (currently 65 percent) is guaranteed under Supplier Credit Guarantees than under regular GSM-102 guarantees where CCC is guaranteeing foreign bank obligations.

A portion of the GSM-102 guarantees is also made available as Facilities Guarantees. Under this activity, CCC guarantees export financing for capital goods and services to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities and products.

The subsidy estimates for the GSM-102 and GSM-103 programs are determined in large part by the obligor's sovereign or non-sovereign country risk grade. These grades are developed annually by the International Credit Risk Assessment

System Committee (ICRAS). In unusual circumstances, an ICRAS grade for a country may change during the fiscal year. The default estimates for GSM guarantees are determined in large part by the risk premia assigned for each risk grade.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the credit guarantees committed in 1992 and beyond (including modifications of credit guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis. The 2006 Budget displays the GSM loan guarantee volume and the subsidy level that can be justified by forecast economic conditions, the expected supply/demand conditions of countries requesting GSM loan guarantees.

Object Classification (in millions of dollars)

Identification code 12-1336-0-1-351	2004 actual	2005 est.	2006 est.
25.3 Other purchases of goods and services from Government accounts	4	4	5
41.0 Grants, subsidies, and contributions	526	419	393
99.9 Total new obligations	530	423	398

COMMODITY CREDIT CORPORATION EXPORT GUARANTEE FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4337-0-3-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Default claims	130	160	160
00.02 Interest on debt to Treasury	81	91	91
00.91 Subtotal, new loans	211	251	251
08.02 Reestimates of guaranteed loan subsidy	290	309	.....
08.04 Interest on reestimates of guaranteed loan subsidy	142	120	.....
08.91 Subtotal, reestimates	432	429	.....
10.00 Total new obligations	643	680	251

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	1,109	1,278	1,149
22.00 New financing authority (gross)	812	551	696
23.90 Total budgetary resources available for obligation	1,921	1,829	1,845
23.95 Total new obligations	—643	—680	—251
24.40 Unobligated balance carried forward, end of year	1,278	1,149	1,594

New financing authority (gross), detail:

Mandatory:			
67.10 Authority to borrow	18	.....	.....
69.00 Offsetting collections (cash)	618	731	672
69.10 Receivable from Federal sources	176	—180	24
69.90 Spending authority from offsetting collections (total mandatory)	794	551	696
70.00 Total new financing authority (gross)	812	551	696

Change in obligated balances:

72.40 Obligated balance, start of year	—100	—273	—93
73.10 Total new obligations	643	680	251
73.20 Total financing disbursements (gross)	—640	—680	—251
74.00 Change in uncollected customer payments from Federal sources (unexpired)	—176	180	—24
74.40 Obligated balance, end of year	—273	—93	—117
87.00 Total financing disbursements (gross)	640	680	251

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	—316	—426	—368
88.25 Interest on uninvested funds	—61	—40	—40
88.40 Loan origination fee	—22	—30	—29
88.40 Principal collections	—105	—120	—120
88.40 Interest collections	—114	—115	—115
88.90 Total, offsetting collections (cash)	—618	—731	—672
Against gross financing authority only:			
89.95 Change in receivables from program accounts	—176	180	—24

Net financing authority and financing disbursements:

89.00 Financing authority	18	.....	.....
90.00 Financing disbursements	23	—51	—421

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4337-0-3-351	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	.....	.....	.....
2131 Guaranteed loan commitments exempt from limitation	4,318	4,528	4,396
2150 Total guaranteed loan commitments	4,318	4,528	4,396
2199 Guaranteed amount of guaranteed loan commitments	4,180	4,383	4,256
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	3,808	4,191	4,368
2231 Disbursements of new guaranteed loans	2,758	4,528	4,396
2251 Repayments and prepayments	—3,064	—4,191	—4,230
Adjustments:			
2261 Terminations for default that result in loans receivable	—130	—160	—160
2264 Other adjustments, net	819	.....	.....
2290 Outstanding, end of year	4,191	4,368	4,374
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	4,168	4,281	4,287
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	1,800	1,794	1,834
2331 Disbursements for guaranteed loan claims	130	160	160
2351 Repayments of loans receivable	—105	—120	—120
2364 Other adjustments, net	—31	.....	.....
2390 Outstanding, end of year	1,794	1,834	1,874

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4337-0-3-351	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	1,009	1,004
1101 Accounts Receivable, net	449	359
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:		
1501 Defaulted guaranteed loans receivable, gross	1,800	1,794
1502 Interest receivable	27	27
1505 Allowance for subsidy cost (—)	—1,161	—873
1599 Net present value of assets related to defaulted guaranteed loans	666	948
1999 Total assets	2,124	2,311
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable	101	273
2103 Debt	1,475	1,491

Public enterprise funds—ContinuedCOMMODITY CREDIT CORPORATION EXPORT GUARANTEE FINANCING
ACCOUNT—Continued**Balance Sheet** (in millions of dollars)—Continued

Identification code 12-4337-0-3-351		2003 actual	2004 actual
2105	Other	526	305
2204	Non-Federal liabilities: Liabilities for loan guarantees	22	242
2999	Total liabilities	2,124	2,311
4999	Total liabilities and net position	2,124	2,311

COMMODITY CREDIT CORPORATION GUARANTEED LOANS LIQUIDATING
ACCOUNT**Program and Financing** (in millions of dollars)

Identification code 12-4338-0-3-351		2004 actual	2005 est.	2006 est.
00.01	Operating Expenses	1	1	1
10.00	Total new obligations (object class 25.3)	1	1	1

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	86	66	.....
22.00	New budget authority (gross)	28	1	1
22.40	Capital transfer to general fund	−47	−66	.....
23.90	Total budgetary resources available for obligation	67	1	1
23.95	Total new obligations	−1	−1	−1
24.40	Unobligated balance carried forward, end of year	66	.....	.....

New budget authority (gross), detail:

69.00	Offsetting collections (cash)	418	456	445
69.27	Capital transfer to general fund	−390	−455	−444
69.90	Spending authority from offsetting collections (total mandatory)	28	1	1

Change in obligated balances:

72.40	Obligated balance, start of year	1	1	1
73.10	Total new obligations	1	1	1
73.20	Total outlays (gross)	−1	−1	−1

74.40	Obligated balance, end of year	1	1	1
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Outlays (gross), detail:

86.97	Outlays from new mandatory authority	1	1	1
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Offsets:

Against gross budget authority and outlays:	Offsetting collections (cash) from:			
88.00	Federal sources	−11	.....	.....
88.40	Repayments of principal	−215	−273	−283
88.40	Interest received on loans	−192	−183	−162
88.40	Other resources collected	.....	.....	.....
88.90	Total, offsetting collections (cash)	−418	−456	−445

Net budget authority and outlays:

89.00	Budget authority	−390	−455	−444
90.00	Outlays	−418	−455	−444

Note.—Includes amounts for activities previously funded in the Commodity Credit Corporation Fund.

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4338-0-3-351		2004 actual	2005 est.	2006 est.
2310	Outstanding, start of year	4,943	4,709	4,436
2351	Repayments of loans receivable	−220	−273	−283
2364	Other adjustments, net	−14	.....	.....
2390	Outstanding, end of year	4,709	4,436	4,153

Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	4,943	4,709	4,436
2351	Repayments of loans receivable	−220	−273	−283
2364	Other adjustments, net	−14	.....	.....
2390	Outstanding, end of year	4,709	4,436	4,153

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond is recorded in corresponding program and financing accounts.

Balance Sheet (in millions of dollars)

Identification code 12-4338-0-3-351		2003 actual	2004 actual
ASSETS:			
1101	Federal assets: Fund balances with Treasury	88	67
1206	Non-Federal assets: Foreign Loans Receivables	4,943	4,709
Net value of assets related to pre-1992			
direct loans receivable and acquired defaulted guaranteed loans receivable:			
1702	Interest receivable	176	21
1703	Allowance for estimated uncollectible loans and interest (−)	−2,324	−2,204
1799	Value of assets related to loan guarantees ..	−2,148	−2,183
1999	Total assets	2,883	2,593
LIABILITIES:			
Federal liabilities:			
2101	Accounts payable	1	.....
2104	Resources payable to Treasury	2,843	2,586
2207	Non-Federal liabilities: Other	39	7
2999	Total liabilities	2,883	2,593
4999	Total liabilities and net position	2,883	2,593

FARM STORAGE FACILITY LOANS PROGRAM ACCOUNT

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-3301-0-1-351		2004 actual	2005 est.	2006 est.
0101	Negative subsidies/subsidy reestimates	12	5	.....
0102	Negative subsidies/subsidy reestimates	2	1	.....

Program and Financing (in millions of dollars)

Identification code 12-3301-0-1-351		2004 actual	2005 est.	2006 est.
00.01	Direct loan subsidy	1	.....	.....
00.05	Upward Reestimate	3	12	.....
00.06	Interest on Upward Reestimate .....	.....	2	.....
00.09	Non-recoverable costs (FSL)	1	1	1
10.00	Total new obligations (object class 41.0)	5	15	1

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	1	.....	.....
22.00	New budget authority (gross)	5	15	1
22.40	Capital transfer to general fund	−1	.....	.....
23.90	Total budgetary resources available for obligation	5	15	1
23.95	Total new obligations	−5	−15	−1
24.40	Unobligated balance carried forward, end of year

New budget authority (gross), detail:

60.00	Appropriation	5	15	1
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Change in obligated balances:

72.40	Obligated balance, start of year	1	1	1
73.10	Total new obligations	5	15	1
73.20	Total outlays (gross)	−5	−15	−1

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	5	15	1
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Net budget authority and outlays:

89.00	Budget authority	5	15	1
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Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)			
Identification code 12-3301-0-1-351	2004 actual	2005 est.	2006 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Farm Storage facility loans	63	61	64
115002 Sugar Storage Facility Loans .....	.....	22	3
115901 Total direct loan levels	63	83	67
Direct loan subsidy (in percent):			
132001 Farm Storage facility loans	1.22	-1.43	-1.16
132002 Sugar Storage Facility Loans	-3.87	-5.25	-5.24
132901 Weighted average subsidy rate	1.22	-2.44	-1.34
Direct loan subsidy budget authority:			
133001 Farm Storage facility loans	1	-1	-1
133002 Sugar Storage Facility Loans .....	.....	-1	.....
133901 Total subsidy budget authority	1	-2	-1
Direct loan subsidy outlays:			
134001 Farm Storage facility loans	1	-1	-1
134002 Sugar Storage Facility Loans .....	.....	.....	.....
134901 Total subsidy outlays	1	-1	-1
Direct loan upward reestimate subsidy budget authority:			
135001 Farm Storage facility loans	3	14	.....
135901 Total upward reestimate budget authority	3	14	.....
Direct loan downward reestimate subsidy budget authority:			
137001 Farm Storage facility loans	-12	-5	.....
137901 Total downward reestimate budget authority	-12	-5	.....

Farm Storage Facility Loan (FSFL) Program. The FSFL program was established by CCC in 1949 to offer low-cost financing to producers for the construction or upgrade of on-farm storage facilities. The program was discontinued in the early 1980's when studies showed sufficient storage space was available. The FSFL was re-established in 2000 due to a severe shortage of sufficient available storage. The program was implemented in 2000 by CCC under Section 504(c) of the Federal Credit Reform Act of 1990. The program provides producers financing with five- to ten-year repayment terms and low interest rates. The program gives producers greater marketing flexibility when farm storage is limited and/or transportation difficulties cause storage problems, allows farmers to benefit from new marketing and technological advances, and maximizes their returns through identity-preserved marketing.

Sugar Storage Facility Loans. The 2002 Farm Bill directs that the CCC establish a sugar storage facility loan program to provide financing for processors of domestically produced sugarcane and sugar beets to construct or upgrade storage and handling facilities for raw sugars and refined sugars. The loan term is a minimum of 7 years with the amount and terms being determined as any other commercial loan.

As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with the direct loans obligated in 1992 and beyond, as well as administrative expenses of this program. The subsidy amounts are estimated on a prevent value basis; the administrative expenses are estimated on a cash basis.

FARM STORAGE FACILITY DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4158-0-3-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loans—FSFL & SSFL	63	83	67
00.03 Payment of interest to Treasury	14	6	6
00.91 Obligations associated with loans	77	89	73
08.01 Negative subsidies paid to receipt account .....	.....	2	1
08.02 Downward reestimates paid to receipt accounts	11	5	.....

08.04 Interest on downward reestimates	1	.....	.....
08.91 Other obligations by program activities	12	7	1
10.00 Total new obligations	89	96	74
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	68	27	8
22.00 New financing authority (gross)	100	104	123
22.10 Resources available from recoveries of prior year obligations	12	.....	.....
22.60 Portion applied to repay debt	-40	-27	-47
22.75 Other authority withdrawn	-24	.....	.....
23.90 Total budgetary resources available for obligation	116	104	84
23.95 Total new obligations	-89	-96	-74
24.40 Unobligated balance carried forward, end of year	27	8	10
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	96	24	44
69.00 Payments from program account	4	14	1
69.00 Principal	35	52	64
69.00 Interest collections (cash)	8	8	8
69.00 Interest on Uninvested Funds	6	6	6
69.47 Portion applied to repay debt	-49	.....	.....
69.90 Spending authority from offsetting collections (total mandatory)	4	80	79
70.00 Total new financing authority (gross)	100	104	123
Change in obligated balances:			
72.40 Obligated balance, start of year	49	39	56
73.10 Total new obligations	89	96	74
73.20 Total financing disbursements (gross)	-87	-79	-85
73.45 Recoveries of prior year obligations	-12	.....	.....
74.40 Obligated balance, end of year	39	56	45
87.00 Total financing disbursements (gross)	87	79	85
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from Program Account	-4	-14	-1
88.25 Interest on uninvested funds	-6	-6	-6
88.40 Principal collections	-35	-52	-64
88.40 Interest collections	-8	-8	-8
88.90 Total, offsetting collections (cash)	-53	-80	-79
Net financing authority and financing disbursements:			
89.00 Financing authority	47	24	44
90.00 Financing disbursements	34	-1	6

Status of Direct Loans (in millions of dollars)

Identification code 12-4158-0-3-351	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	.....	.....	.....
1131 Direct loan obligations exempt from limitation	63	83	67
1150 Total direct loan obligations	63	83	67
1150 Total direct loan obligations .....	.....	.....	.....
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	160	187	206
1231 Disbursements: Direct loan disbursements	62	71	77
1251 Repayments: Repayments and prepayments	-35	-52	-64
1263 Write-offs for default: Direct loans .....	.....	.....	.....
1290 Outstanding, end of year	187	206	219

Balance Sheet (in millions of dollars)

Identification code 12-4158-0-3-351	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	117	66
Investments in US securities:		
1106 Receivables, net	4	14

Public enterprise funds—ContinuedFARM STORAGE FACILITY DIRECT LOAN FINANCING ACCOUNT—
Continued**Balance Sheet** (in millions of dollars)—Continued

Identification code 12-4158-0-3-351	2003 actual	2004 actual
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	160	187
1402 Interest receivable	7	3
1405 Allowance for subsidy cost (-)	4	-1
1499 Net present value of assets related to direct loans	171	189
1999 Total assets	292	269
LIABILITIES:		
Federal liabilities:		
2103 Debt payable to Treasury	280	264
2105 Other Federal Liabilities	12	5
2999 Total liabilities	292	269
4999 Total liabilities and net position	292	269

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

APPLE LOANS PROGRAM ACCOUNT

The Agricultural Risk Protection Act of 2000 authorized up to \$5 million for the cost to provide loans to producers of apples for economic losses as the result of low prices. Although the program is funded through CCC, program management is performed through farm loan programs. No further funding is requested for this program.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

EMERGENCY BOLL WEEVIL DIRECT LOAN FINANCING ACCOUNT**Program and Financing** (in millions of dollars)

Identification code 12-4221-0-3-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.05 Payment to Treasury—Interest	1		
10.00 Total new obligations	1		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	6	1	
22.00 New financing authority (gross)	2		
22.40 Capital transfer to general fund		-1	
22.60 Portion applied to repay debt	-6		
23.90 Total budgetary resources available for obligation	2		
23.95 Total new obligations	-1		
24.40 Unobligated balance carried forward, end of year	1		
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow	2		
Mandatory:			
69.00 Offsetting collections (cash)	4		

69.47 Portion applied to repay debt	-4	
69.90 Spending authority from offsetting collections (total mandatory)		
70.00 Total new financing authority (gross)	2	
Change in obligated balances:		
73.10 Total new obligations	1	
73.20 Total financing disbursements (gross)	-1	
87.00 Total financing disbursements (gross)	1	
Offsets:		
Against gross financing authority and financing disbursements:		
Offsetting collections (cash) from:		
88.25 Interest on uninvested funds	-1	
88.45 Offsetting governmental collections (from non-Federal sources)	-3	
88.90 Total, offsetting collections (cash)	-4	
Net financing authority and financing disbursements:		
89.00 Financing authority	-2	
90.00 Financing disbursements	-3	

Status of Direct Loans (in millions of dollars)

Identification code 12-4221-0-3-351	2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	10	10	10
1251 Repayments: Repayments and prepayments			
1263 Write-offs for default: Direct loans			
1290 Outstanding, end of year	10	10	10

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4221-0-3-351	2003 actual	2004 actual
ASSETS:		
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	10	10
1405 Allowance for subsidy cost (-)	-7	-7
1499 Net present value of assets related to direct loans	3	3
1999 Total assets	3	3
LIABILITIES:		
2103 Federal liabilities: Debt		
2999 Total liabilities	3	3
4999 Total liabilities and net position	3	3

TOBACCO TRUST FUND**Program and Financing** (in millions of dollars)

Identification code 12-8161-0-7-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
09.01 Tobacco Assessment to CCC		958	1,189
10.00 Total new obligations (object class 41.0)		958	1,189
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		958	1,189
23.95 Total new obligations		-958	-1,189

New budget authority (gross), detail:			
Mandatory:			
69.00	Offsetting collections (cash)	958	1,189
Change in obligated balances:			
73.10	Total new obligations	958	1,189
73.20	Total outlays (gross)	−958	−1,189
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority	958	1,189
Offsets:			
Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	−958	−1,189
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays		

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed \$100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft. [\$837,360,000] \$767,783,000, to remain available until [June 30, 2006] expended, of which not less than [\$10,500,000] \$10,457,000 is for snow survey and water forecasting, and not less than [\$14,433,000] \$10,547,000 is for operation and establishment of the plant materials centers, and of which not less than [\$23,500,000] \$33,000,000 shall be for the grazing lands conservation initiative: *Provided*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed \$250,000: *Provided further*, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further*, That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974 (43 U.S.C. 1592(c)): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service: [*Provided further*, That none of the funds made available under this paragraph by this or any other appropriations Act may be used to provide technical assistance with respect to programs listed in section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a))]. (7 U.S.C. 2201–02; 16 U.S.C. 1101–5; 33 U.S.C. 7016–11; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-1000-0-1-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Technical assistance	764	743	659
00.02 Soil surveys	87	89	88
00.03 Snow survey and water forecasting	10	11	10
00.04 Plant materials centers	12	15	11
09.00 Reimbursable program	41	53	53
10.00 Total new obligations	914	911	821

Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	29	49
22.00	New budget authority (gross)	910	883
22.10	Resources available from recoveries of prior year obligations	22	.....
23.90	Total budgetary resources available for obligation	961	932
23.95	Total new obligations	−914	−911
24.40	Unobligated balance carried forward, end of year	49	21
New budget authority (gross), detail:			
Discretionary:			
40.00	Appropriation	853	837
40.35	Appropriation permanently reduced	−5	−7
43.00	Appropriation (total discretionary)	848	830
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	62	53
70.00	Total new budget authority (gross)	910	883
Change in obligated balances:			
72.40	Obligated balance, start of year	204	247
73.10	Total new obligations	914	911
73.20	Total outlays (gross)	−847	−832
73.45	Recoveries of prior year obligations	−22	.....
74.40	Obligated balance, end of year	247	326
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	758	783
86.93	Outlays from discretionary balances	89	49
87.00	Total outlays (gross)	847	832
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Federal sources	−49	−36
88.40	Non-Federal sources	−13	−17
88.90	Total, offsetting collections (cash)	−62	−53
Net budget authority and outlays:			
89.00	Budget authority	848	830
90.00	Outlays	785	780

Technical assistance.—Technical assistance is provided through 2,955 conservation districts or special districts to land users and decisionmakers, including individual landowners and operators, community groups, units of government, Indian tribes, and others for the planning of conservation programs and installation of needed conservation systems on the land, including design, layout, installation, and consultation services.

MAIN WORKLOAD FACTORS

	2004 Actual	2005 est.	2006 est.
Customers receiving technical assistance for planning & application, number	255,000	255,000	255,000
Conservation systems planned on cropland and grazing land, acres	32.7 million	30 million	27.6 million
Erosion reduction applied on cropland	3.3 million	3 million	2.8 million
Conservation practices applied on grazing land	9.7 million	8.5 million	13 million

Inventory and monitoring, resource appraisal, and program development activities are also funded through this account. Resource inventories are conducted to provide soil, water, and related resource data for evaluating land-use changes and trends; and for guidance in the development and implementation of Federal, State, and local resource conservation programs. Resource appraisal and program development provides periodic reports to the public and Congress as required by the Soil and Water Resources Conservation Act of 1977 as amended.

The 2006 Budget targets funding to national-level conservation priorities. The Budget includes an increase of \$37 million to provide more conservation assistance to help livestock producers to comply with environmental regulations. To help ranchers fight and control priority invasive species, the Bud-

CONSERVATION OPERATIONS—Continued

et also includes an increase of \$9.7 million to the Grazing Lands Conservation Initiative. The National Invasive Species Council has identified high-priority invasive species that heavily impact western range lands, such as yellow star thistle, leafy spurge, and tamarisk. This additional funding will enhance invasive species prevention, management, and restoration activities.

Soil surveys.—Soil surveys and investigations are made on the soil resources of the Nation's private lands. NRCS provides this information as electronic and printed publications for use by the American public and other Federal, State and local agencies in making land-use decisions. NRCS uses the information for program development, resource conservation planning, and installation of planned practices. NRCS provides national leadership for the National Cooperative Soil Survey and digitizing of soil surveys in cooperation with States, and other users of soil survey data. Legislation requires that the Secretary shall make a reasonable effort to assure that "a substantial portion of the survey costs for NRCS are to be reimbursed by survey recipients."

MAIN WORKLOAD FACTORS

	2004 actual	2005 est.	2006 est.
Acres mapped annually (millions)	28	30	30
Soil surveys released for public use, (million acres)	50.7	67	90
Soil surveys available electronically on NRCS Web site (number cumulative)	2,024	2,360	2,660

Snow survey and water supply forecasting.—Water supply forecasts prepared from snow surveys in western states are used in making efficient seasonal use of water for irrigation, flood control, fish and wildlife, recreation, power generation, municipal and industrial water supply, emergency management, and water quality management.

Operation of plant materials centers.—The selection and evaluation of plant materials are made at 26 plant materials centers through field trials to determine their suitability for erosion control, conservation, and other environmental improvements. Native plant species will be preferred and exotic species introductions phased out for this program.

Performance Metrics

Identification code 12-1000-0-1-302	2004 actual	2005 est.	2006 est.
Conservation Technical Assistance:			
100404 Number of acres of wetlands created, restored, or enhanced.	36,054	44,141	
100406 Cumulative number of soil surveys available in digital form.	2,300	2,600	

Object Classification (in millions of dollars)

Identification code 12-1000-0-1-302	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	436	433	388
11.3 Other than full-time permanent	9	9	8
11.5 Other personnel compensation	6	6	5
11.9 Total personnel compensation	451	448	401
12.1 Civilian personnel benefits	135	135	123
21.0 Travel and transportation of persons	18	18	16
22.0 Transportation of things	5	5	5
23.2 Rental payments to others	22	22	19
23.3 Communications, utilities, and miscellaneous charges	24	23	21
24.0 Printing and reproduction	3	3	3
25.2 Other services	172	161	142
26.0 Supplies and materials	15	15	13
31.0 Equipment	27	27	24
42.0 Insurance claims and indemnities	1	1	1
99.0 Direct obligations	873	858	768
99.0 Reimbursable obligations	41	53	53

99.9	Total new obligations	914	911	821
Personnel Summary				
Identification code 12-1000-0-1-302		2004 actual	2005 est.	2006 est.
Direct:				
1001 Total compensable workyears: Civilian full-time equivalent employment	7,943	7,653	6,671	
Reimbursable:				
2001 Total compensable workyears: Civilian full-time equivalent employment	226	300	300	

FARM SECURITY AND RURAL INVESTMENT PROGRAMS

Program and Financing (in millions of dollars)

Identification code 12-1004-0-1-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Wetlands Reserve Program	285	275	321
00.02 Environmental Quality Incentives Program	903	1,017	1,000
00.03 Ground and Surface Water Conservation	65	51	60
00.04 Klamath Basin	19	8	8
00.05 Wildlife Habitat Incentives Program	38	47	60
00.06 Farm and Ranch Lands Protection Program	91	112	84
00.07 Conservation Security Program	40	202	274
00.08 Grassland Reserve Program	57	128	.....
00.09 Conservation Reserve Program	62	.....	.....
00.10 Agricultural Management Assistance Program	14	14	.....
09.00 Reimbursable program-CRP .....	.....	87	90
10.00 Total new obligations	1,574	1,941	1,897
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,601	1,941	1,897
23.95 Total new obligations	−1,574	−1,941	−1,897
23.98 Unobligated balance expiring or withdrawn	−29	.....	.....

New budget authority (gross), detail:

40.35 Appropriation permanently reduced .....	.....	.....	−295
Mandatory:			
62.00 Transferred from other accounts	1,601	1,854	2,102
69.00 Offsetting collections (cash) .....	.....	87	90
70.00 Total new budget authority (gross)	1,601	1,941	1,897

Change in obligated balances:

72.40 Obligated balance, start of year	660	835	954
73.10 Total new obligations	1,574	1,941	1,897
73.20 Total outlays (gross)	−1,389	−1,822	−1,864
73.40 Adjustments in expired accounts (net)	−9	.....	.....
74.40 Obligated balance, end of year	835	954	987

Outlays (gross), detail:

86.90 Outlays from new discretionary authority .....	.....	.....	−156
86.97 Outlays from new mandatory authority	1,100	941	997
86.98 Outlays from mandatory balances	289	881	1,023
87.00 Total outlays (gross)	1,389	1,822	1,864

Offsets:

88.00 Against gross budget authority and outlays: Offsetting collections (cash) from: Federal sources	−87	−90
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Net budget authority and outlays:

89.00 Budget authority	1,601	1,854	1,807
90.00 Outlays	1,389	1,735	1,774

The Farm Security and Rural Investment Act of 2002 (P.L. 107-171) reauthorizes a number of USDA's conservation programs. NRCS is responsible for implementing many of these programs. All of the assistance for programs where NRCS is the lead implementation agency is transferred from the Commodity Credit Corporation (CCC) to the Farm Security and Rural Investment Programs account. This account funds the cost share, monitoring, easement, and other financial as-

sistance activities associated with the programs under title II of the 2002 Farm Bill. In addition, this account funds the technical assistance costs necessary for delivering the Environmental Quality Incentives Program, Ground and Surface Water Conservation, Klamath Basin, Wildlife Habitat Incentives Program, Farm and Ranch Land Protection Program, Conservation Security Program, Grassland Reserve Program, and Wetlands Reserve Program.

The following programs are funded in this account.

Wetlands Reserve Program (WRP) is authorized under Section 1237 of the Food Security Act of 1985, as amended. The authority provides for a total acreage enrollment cap of 2,275,000 acres. The purpose of the WRP is to preserve, protect, and restore valuable wetlands.

Environmental Quality Incentives Program (EQIP) was reauthorized in the Farm Security and Rural Investment Act of 2002. Funding is authorized at \$5.8 billion over 6 years with \$400 million in 2002 increasing to \$1.3 billion in 2007. The purpose of the program is to promote agricultural production and environmental quality as compatible national goals.

Ground and Surface Water Program (GSW) is authorized by Section 1240I of Title XII of the Food Security Act of 1985. Funding is authorized at \$310 million over six years. The purpose of the program is to promote ground and surface water conservation by providing cost-share payments and incentive payments to producers to carry out eligible water conservation activities.

Klamath Basin, is authorized by Section 1240I of Title XII of the Food Security Act of 1985. Funding is authorized at \$50 million over 6 years. The purpose of the Klamath Basin program is to carry out water conservation activities in the Klamath Basin located in California and Oregon.

Farm and Ranch Lands Protection Program (FRPP). The Farm Security and Rural Investment Act of 2002 repealed the Farmland Protection Program authorized by the Federal Agriculture Improvement and Reform Act of 1996 and authorized a new Farmland Protection Program. Funding is authorized at \$597 million over 6 years. The purpose of the program is to protect soil by limiting nonagricultural use of prime and unique farm and ranch land.

Wildlife Habitat Incentives Program (WHIP) is authorized by Section 1240N of the Food Security Act of 1985. Funding is authorized at \$360 million over 6 years. The purpose of the program is to develop habitat for upland wildlife, wetlands wildlife, threatened and endangered species, fish, and other types of wildlife.

Conservation Security Program (CSP) is authorized by subchapter A chapter 2, subtitle D. Title XII of the Food Security Act of 1985 as added by the Farm Security and Rural Investment Act of 2002. The purpose of the program is to provide financial and technical assistance for the conservation, protection, and improvement of natural resources on Tribal and private working lands. The program provides assistance to producers who have already implemented high levels of conservation in order to reward and maintain their model stewardship. CSP also pays qualified producers to do further environmental enhancements to improve natural resource conditions on their agricultural operations.

Grassland Reserve Program (GRP) is authorized by Section 1238N of Title XII, of Food Security Act of 1985. Funding is authorized at \$254 million over 5 years. The purpose of the program is to assist landowners in restoring and protecting grassland.

Agricultural Management Assistance Program (AMA) is authorized by Section 211 of the Agriculture Risk Protection Act of 2000, Subtitle F, Section 2501(l)(4)(ii) of the Farm Security and Rural Investment Act of 2002 provides \$20 million annually for financial assistance in 15 states, as determined by the Secretary, in which participation in the Federal Crop Insurance Program is historically low. The program pro-

vides assistance to producers to mitigate financial risk by using conservation measures to reduce soil erosion and improve water quality.

NRCS works to deliver these conservation programs using its technical field staff and by partnering with public and private entities through the Technical Service Provider (TSP) system. NRCS can contract with TSPs to help deliver the Farm Bill programs, or agricultural producers may select TSPs to help plan and implement conservation practices on their operations.

Object Classification (in millions of dollars)

Identification code 12-1004-0-1-302	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	165	157	163
11.3 Other than full-time permanent	3	2	3
11.5 Other personnel compensation	2	2	3
11.9 Total personnel compensation	170	161	169
12.1 Civilian personnel benefits	49	48	50
21.0 Travel and transportation of persons	5	7	7
22.0 Transportation of things	1	1	1
23.2 Rental payments to others	10	10	10
23.3 Communications, utilities, and miscellaneous charges	12	15	16
24.0 Printing and reproduction	1	2	1
25.2 Other services	86	82	102
26.0 Supplies and materials	7	9	8
31.0 Equipment	17	17	16
32.0 Land and structures	270	322	295
41.0 Grants, subsidies, and contributions	946	1,180	1,132
99.0 Direct obligations	1,574	1,854	1,807
99.0 Reimbursable obligations		87	90
99.9 Total new obligations	1,574	1,941	1,897

Personnel Summary

Identification code 12-1004-0-1-302	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			
1001 Total compensable workyears: Civilian full-time equivalent employment	3,043	3,362	3,579
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	800	805	

WATERSHED SURVEYS AND PLANNING

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001–1009), [§7,083,000: *Provided*, That none of the funds made available under this paragraph by this or any other appropriations Act may be used to provide technical assistance with respect to programs listed in section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) §5,141,000. (7 U.S.C. 2201–02; 16 U.S.C. 1101–5; 33 U.S.C. 7016–11; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-1066-0-1-301	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct program			
00.01 Direct program	10	7	5
10.00 Total new obligations	10	7	5
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	11	7	5
23.95 Total new obligations	-10	-7	-5
23.98 Unobligated balance expiring or withdrawn	-1		

WATERSHED SURVEYS AND PLANNING—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1066-0-1-301	2004 actual	2005 est.	2006 est.
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	11	7	5
Change in obligated balances:			
72.40 Obligated balance, start of year	2	4	3
73.10 Total new obligations	10	7	5
73.20 Total outlays (gross)	—9	—8	—6
74.40 Obligated balance, end of year	4	3	2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	7	6	4
86.93 Outlays from discretionary balances	2	2	2
87.00 Total outlays (gross)	9	8	6
Net budget authority and outlays:			
89.00 Budget authority	11	7	5
90.00 Outlays	8	8	6

Under the authorities of Public Law 83-566, watershed planning assistance is provided to States and communities to address specific resource problems on a watershed scale. The funds are used to cooperate with other agencies and the States in providing local decision makers with resource data, derived from cooperative river basin surveys and floodplain management studies, for use in decision making. Watershed plans are used to develop the small watershed projects.

Watershed work plans are prepared by sponsoring local organizations with the Department's assistance or through State and local resources. After work plans are approved by the Department or Congress (projects where the estimated Federal contribution will exceed \$5 million require congressional approval), financial assistance is provided for specific works of improvements. Since 1944, the Federal Government has invested over \$8.5 billion to develop a watershed infrastructure through the Small Watershed program. The investment yields annual benefits estimated at \$922 million primarily to local areas and private landowners.

Object Classification (in millions of dollars)

Identification code 12-1066-0-1-301	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	5	4	3
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	2	1	1
99.0 Direct obligations	8	6	5
99.5 Below reporting threshold	2	1	.....
99.9 Total new obligations	10	7	5

Personnel Summary

Identification code 12-1066-0-1-301	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	73	51	36
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	1	1	1

[WATERSHED AND FLOOD PREVENTION OPERATIONS]

[For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protec-

tion and Flood Prevention Act (16 U.S.C. 1001-1005 and 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, \$75,576,000, to remain available until expended; of which up to \$10,000,000 may be available for the watersheds authorized under the Flood Control Act (33 U.S.C. 701 and 16 U.S.C. 1006a): *Provided*, That not to exceed \$35,000,000 of this appropriation shall be available for technical assistance: *Provided further*, That not to exceed \$1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction: *Provided further*, That none of the funds made available under this paragraph by this or any other appropriations Act may be used to provide technical assistance with respect to programs listed in section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)).] (7 U.S.C. 2209b, 2225; 16 U.S.C. 1001-1005, 1007-1009; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

[EMERGENCY WATERSHED PROTECTION PROGRAM]

[For an additional amount for "Emergency Watershed Protection Program" to repair damages to the waterways and watersheds resulting from natural disasters, \$250,000,000, to remain available until expended: *Provided*, That the amounts provided under this heading are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.] (Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-1072-0-1-301	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
Direct program:			
00.01 Watershed operations (P.L. 534)	12	11	.....
00.03 Emergency watershed protection operations	44	408	.....
00.04 Small watershed operations (P.L. 566)	89	69	.....
09.01 Reimbursable program	11	11	.....
10.00 Total new obligations	156	499	.....
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	53	161	.....
22.00 New budget authority (gross)	244	338	.....
22.10 Resources available from recoveries of prior year obligations	22	.....	.....
23.90 Total budgetary resources available for obligation	319	499	.....
23.95 Total new obligations	—156	—499	.....
24.40 Unobligated balance carried forward, end of year	161	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	237	326	.....
40.35 Appropriation permanently reduced	—1	—1	.....
43.00 Appropriation (total discretionary)	236	325	.....
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	15	13	.....
68.10 Change in uncollected customer payments from Federal sources (unexpired)	—7	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	8	13	.....
70.00 Total new budget authority (gross)	244	338	.....
Change in obligated balances:			
72.40 Obligated balance, start of year	244	252	437
73.10 Total new obligations	156	499	.....
73.20 Total outlays (gross)	—134	—314	—272
73.45 Recoveries of prior year obligations	—22	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	7	.....	.....
74.40 Obligated balance, end of year	252	437	165

Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	81	207	.....
86.93 Outlays from discretionary balances	53	107	272
87.00 Total outlays (gross)	134	314	272
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources	-11	-13	.....
Non-Federal sources	-4	.....	.....
88.90 Total, offsetting collections (cash)	-15	-13	.....
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	7	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	236	325	.....
90.00 Outlays	119	301	272

These programs provide for cooperative actions between the Federal Government and States and their political subdivisions to reduce damage from floodwater, sediment, and erosion, for the conservation, development, utilization, and disposal of water, and for the conservation and proper utilization of land. Funds in Watershed and Flood Prevention Operations can be used for either flood prevention projects or flood damage rehabilitation efforts, depending upon the needs and opportunities. In order to improve the environmental and economic benefits of these projects, NRCS intends to focus on developing and funding non-structural flood prevention measures.

Emergency watershed protection.—This program authorizes the Secretary of Agriculture to undertake such emergency measures for runoff retardation and soil erosion prevention as may be needed to safeguard life and property from floods and the products of erosion on any watershed whenever natural elements or forces cause a sudden impairment of that watershed. An emergency is considered to exist when a watershed is suddenly impaired by flood, fire, wind, earthquake, drought or other natural causes and consequently life and property are endangered by floodwater, erosion, or sediment discharge. The emergency area need not be declared a national disaster area to be eligible for emergency watershed protection. Emergency watershed protection is applicable to small scale, localized disasters as well as large scale disasters. State environmental, natural resource, fish and game, and other agencies participate in planning and coordinating emergency work. Funding for the emergency watershed protection program is typically provided through emergency supplemental appropriations.

To improve the delivery and defensibility of the program, NRCS published a draft programmatic environmental impact statement and proposed regulations for public review and comment to assess various program alternatives. Through the public feedback and information gathering process, NRCS ultimately will be able to make the program more beneficial to communities and the environment.

Watershed operations authorized by Public Law 78-534.—The Department cooperates with soil conservation districts and other local organizations in planning and installing flood prevention improvements in 11 watersheds authorized by the Flood Control Act of 1944. The Federal Government shares the cost of improvements for flood prevention, agricultural water management, recreation, and fish and wildlife development.

The 2006 Budget redirects this program's resources to other priority programs within the Agency.

Small watershed operations authorized by Public Law 83-566.—The Department provides technical and financial assistance to local organizations to install measures for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife enhancement. At least 50

percent of the funding provided is used for financial assistance. The 2006 Budget redirects this program's resources to other priority programs within the Agency.

Loans through the Agricultural Credit Insurance Fund have been made in previous years to the local sponsors in order to fund the local cost of Public Law 83-566 or 78-534 projects. No funding for these loans is assumed in 2006.

The following tabulation shows the status of Public Law 83-566 projects:

MAIN WORKLOAD FACTORS

Status of operational projects:	2004 actual	2005 est.	2006 est.
Projects receiving land treatment	175	167	159
Structural projects	274	273	271
Land treatment and structural	98	97	97
Subtotal active projects	547	537	527
Projects continuing post-installation assistance	987	1,000	1,013
Inactive projects	25	25	25
Project life completed	41	43	45
Deauthorized projects	155	155	155
Total operational projects	1,755	1,760	1,765
New projects approved during year	5	5	5

Object Classification (in millions of dollars)

Identification code 12-1072-0-1-301	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	23	51	.....
11.5 Other personnel compensation	1	4	.....
11.9 Total personnel compensation	24	55	.....
12.1 Civilian personnel benefits	6	14	.....
21.0 Travel and transportation of persons	1	3	.....
23.2 Rental payments to others	1	2	.....
23.3 Communications, utilities, and miscellaneous charges	1	3	.....
25.2 Other services	8	15	.....
25.2 Other services	43	127	.....
26.0 Supplies and materials	1	3	.....
31.0 Equipment	2	7	.....
41.0 Grants, subsidies, and contributions	57	259	.....
99.0 Direct obligations	144	488	.....
99.0 Reimbursable obligations	11	11	.....
99.5 Below reporting threshold	1	.....	.....
99.9 Total new obligations	156	499	.....

Personnel Summary

Identification code 12-1072-0-1-301	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	398	839	.....
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	34	33	.....

WATERSHED REHABILITATION PROGRAM

For necessary expenses to carry out rehabilitation of structural measures, in accordance with section 14 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012), and in accordance with the provisions of laws relating to the activities of the Department, [**\$27,500,000**] **\$15,125,000**, to remain available until expended[*: Provided*, That none of the funds made available under this paragraph by this or any other appropriations Act may be used to provide technical assistance with respect to programs listed in section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a))]. (16 U.S.C. 1001 et seq.; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

WATERSHED REHABILITATION PROGRAM—Continued

Program and Financing (in millions of dollars)

Identification code 12-1002-0-1-301	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	29	28	15
09.01 Reimbursable program	1	1	.....
10.00 Total new obligations	30	29	15
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	2	150
22.00 New budget authority (gross)	31	177	—135
23.90 Total budgetary resources available for obligation	32	179	15
23.95 Total new obligations	—30	—29	—15
24.40 Unobligated balance carried forward, end of year	2	150	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	30	27	15
40.35 Appropriation permanently reduced .....	.....	.....	—210
43.00 Appropriation (total discretionary)	30	27	—195
Mandatory:			
62.00 Transferred from other accounts .....	.....	150	60
Discretionary:			
68.10 Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired)	1	.....	.....
70.00 Total new budget authority (gross)	31	177	—135
Change in obligated balances:			
72.40 Obligated balance, start of year	24	33	34
73.10 Total new obligations	30	29	15
73.20 Total outlays (gross)	—20	—28	114
74.00 Change in uncollected customer payments from Federal sources (unexpired)	—1	.....	.....
74.40 Obligated balance, end of year	33	34	163
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	11	18	—133
86.93 Outlays from discretionary balances	9	10	19
87.00 Total outlays (gross)	20	28	—114
Offsets:			
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	—1	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	30	177	—135
90.00 Outlays	19	28	—114

Under the authorities of section 14 of the Watershed Protection and Flood Prevention Act assistance is provided to communities to address concerns about local aging dams. NRCS may provide technical and financial assistance for the planning, design, and implementation of rehabilitation projects that may include upgrading or removing the dams.

Object Classification (in millions of dollars)

Identification code 12-1002-0-1-301	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	7	5	3
12.1 Civilian personnel benefits	2	2	1
23.3 Communications, utilities, and miscellaneous charges	1	1	.....
25.2 Other services	7	6	3
25.2 Other services	9	10	6
41.0 Grants, subsidies, and contributions	3	3	2
99.0 Direct obligations	29	27	15
99.0 Reimbursable obligations	1	1	.....
99.5 Below reporting threshold .....	.....	1	.....
99.9 Total new obligations	30	29	15

Personnel Summary

Identification code 12-1002-0-1-301	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	108	84	47

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of sections 31 and 32 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010–1011; 76 Stat. 607); the Act of April 27, 1935 (16 U.S.C. 590a–f); and subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451–3461), [\$51,641,000] \$25,600,000, to remain available until expended: *Provided*, That none of the funds made available under this paragraph by this or any other appropriations Act may be used to provide technical assistance with respect to programs listed in section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)): *Provided further*, That the Secretary shall enter into a cooperative or contribution agreement with a national association regarding a Resource Conservation and Development program and such agreement shall contain the same matching, contribution requirements, and funding level, set forth in a similar cooperative or contribution agreement with a national association in fiscal year 2002: *Provided further*, That not to exceed \$3,504,300 shall be available for national headquarters activities]. (7 U.S.C. 2225; *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

Program and Financing (in millions of dollars)

Identification code 12-1010-0-1-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.02 Technical assistance	53	51	26
09.01 Reimbursable program .....	.....	1	1
10.00 Total new obligations	53	52	27
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	1	1
22.00 New budget authority (gross)	52	52	27
23.90 Total budgetary resources available for obligation	54	53	28
23.95 Total new obligations	—53	—52	—27
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	52	51	26
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	.....	1	1
70.00 Total new budget authority (gross)	52	52	27
Change in obligated balances:			
72.40 Obligated balance, start of year	9	10	10
73.10 Total new obligations	53	52	27
73.20 Total outlays (gross)	—51	—52	—32
74.40 Obligated balance, end of year	10	10	5
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	46	47	24
86.93 Outlays from discretionary balances	5	5	8
87.00 Total outlays (gross)	51	52	32
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	.....	—1	—1
Net budget authority and outlays:			
89.00 Budget authority	52	51	26
90.00 Outlays	51	51	31

The Resource Conservation and Development (RC&D) Program began in February 1964 under authority of Section 102 of the Food and Agricultural Act of 1962 (P.L. 87-703) and other Departmental authorities. Sections 1528-1538 of the Agricultural and Food Act of 1981 have replaced these authorities. This act authorized a program to encourage and improve the capability of State and local units of government and local nonprofit organizations in rural areas to plan, develop, and implement programs for resource conservation and development. Through the establishment of RC&D areas, led by a council, the program establishes or improves coordination systems in rural communities and builds rural community leadership skills to effectively utilize Federal, State and local programs for the communities' benefit. The Farm Security and Rural Investment Act of 2002 (P.L. 107-171) permanently reauthorized RC&D.

Designated RC&D areas are provided technical assistance to help States and local units of government prepare plans for resource development and economic improvement and to plan and install community-related conservation projects. Financial contributions, loans, and other Federal assistance may be used to help carry out projects specified in RC&D area plans. These coordinators help the area councils develop plans and proposals to compete for financial assistance from other Federal, State and private sources.

The 2006 Budget proposes new policy for the RC&D Program that phases out Federal support for the local planning areas after 20 years of funding support. At that point, these local communities should have the experience and capacity to identify, plan for, and address their priorities. This policy would cancel Federal support for 189 RC&D areas in the 2006 Budget. This policy is based on a finding that the program is duplicative of other USDA and Federal resource conservation and rural development programs. Also, the program does not prioritize and target funding based on need or performance.

The following tabulation shows the status of RC&D areas authorized to receive technical and financial assistance.

MAIN WORKLOAD FACTORS

	2004 actual	2005 est.	2006 est.
Areas funded at beginning of year	375	375	186
Areas funded at end of year	375	375	186
Project plans adopted	2,023	2,000	1,000
Projects completed	4,586	3,000	1,500

Object Classification (in millions of dollars)

Identification code 12-1010-0-1-302	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	31	30	15
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	32	31	16
12.1 Civilian personnel benefits	8	7	4
21.0 Travel and transportation of persons	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	2	2	1
25.2 Other services	7	7	3
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
99.0 Direct obligations	53	51	26
99.0 Reimbursable obligations		1	1
99.9 Total new obligations	53	52	27

Personnel Summary

Identification code 12-1010-0-1-302	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	515	498	243

Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	2	3	3

BIO MASS RESEARCH AND DEVELOPMENT

Program and Financing (in millions of dollars)

Identification code 12-1003-0-1-271	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Biomass Research and Development			
00.01 Biomass Research and Development	14	14	12
10.00 Total new obligations (object class 41.0)	14	14	12
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year		1	1
22.00 New budget authority (gross)	14	14	12
23.90 Total budgetary resources available for obligation	14	15	13
23.95 Total new obligations	−14	−14	−12
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Discretionary:			
40.35 Appropriation permanently reduced			−2
Mandatory:			
62.00 Transferred from other accounts	14	14	14
70.00 Total new budget authority (gross)	14	14	12
Change in obligated balances:			
72.40 Obligated balance, start of year	14	25	25
73.10 Total new obligations	14	14	12
73.20 Total outlays (gross)	−3	−14	−12
74.40 Obligated balance, end of year	25	25	25
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			−2
86.97 Outlays from new mandatory authority	3	14	14
87.00 Total outlays (gross)	3	14	12
Net budget authority and outlays:			
89.00 Budget authority	14	14	12
90.00 Outlays	3	14	12

Biomass Research and Development is authorized by the Biomass Research and Development Act of 2000. The program provides competitive grants for research, development, and demonstration to encourage innovation and development related to biomass, and improved commercialization of biobased products and energy. USDA and the Department of Energy jointly administer the program.

Current priorities focus on the following: feedstock development and production; biobased products emphasizing environmental and economic performance; integrated resource management and biomass use; and effective and targeted incentive systems for biomass commercialization and adoption.

Personnel Summary

Identification code 12-1003-0-1-271	2004 actual	2005 est.	2006 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment			
2001 Total compensable workyears: Civilian full-time equivalent employment	2	2	2

GREAT PLAINS CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-2268-0-1-302	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			
21.40 Unobligated balance carried forward, start of year	1	2	.....

GREAT PLAINS CONSERVATION PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-2268-0-1-302		2004 actual	2005 est.	2006 est.
22.00	New budget authority (gross)		-2	.....
22.10	Resources available from recoveries of prior year obligations	1	.....	.....
23.90	Total budgetary resources available for obligation	2	.....	.....
24.40	Unobligated balance carried forward, end of year	2	.....	.....
New budget authority (gross), detail:				
Discretionary:				
40.36	Unobligated balance permanently reduced	-2	.....	.....
Change in obligated balances:				
72.40	Obligated balance, start of year	1	.....	.....
73.20	Total outlays (gross) .....	.....	1	.....
73.45	Recoveries of prior year obligations	-1	.....	.....
74.40	Obligated balance, end of year .....	.....	1	.....
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority		-1	.....
86.93	Outlays from discretionary balances .....	.....	1	-1
87.00	Total outlays (gross) .....	.....	2	1
Net budget authority and outlays:				
89.00	Budget authority .....	.....	.....	-5
90.00	Outlays .....	.....	2	1

The 1996 Farm Bill combined the authority for this and several other conservation programs into the Environmental Quality Incentives Program. Prior-year account balances are maintained in this account until expended.

This program provides cost-share assistance to participating landowners or operators in the Great Plains area in the development and installation of long-term conservation plans and practices for their land under contracts entered into in prior years. It is a voluntary program in 556 designated counties of 10 Great Plains States. Contracts with individual landowners range in time from 3 to 10 years.

MAIN WORKLOAD FACTORS

Program participants:	2004 actual	2005 est.	2006 est.
Number of contracts serviced during year	395	222	111
Number of acres under contracts	1,567,600	641,748	320,790

Co-landowners or operators finance the entire cost of installing recurring management-type practices and pay a specified part of the cost-shared practices installed on their land. Program regulations provide that cost-share rates offered in any contract cannot exceed 80 percent of the cost of installing eligible practices within the designated county. There is a cost-sharing limitation of \$35,000 for any contract.

FORESTRY INCENTIVES PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3320-0-1-302		2004 actual	2005 est.	2006 est.
Obligations by program activity:				
00.01	Direct Program Activity	1	.....	.....
10.00	Total new obligations (object class 41.0)	1	.....	.....
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	4	5	.....
22.00	New budget authority (gross)		-5	.....
22.10	Resources available from recoveries of prior year obligations	2	.....	.....
23.90	Total budgetary resources available for obligation	6	.....	.....
23.95	Total new obligations	-1	.....	.....

24.40	Unobligated balance carried forward, end of year	5	.....	.....
New budget authority (gross), detail:				
Discretionary:				
40.36	Unobligated balance permanently reduced .....	.....	.....	-5
Change in obligated balances:				
72.40	Obligated balance, start of year .....	.....	10	7
73.10	Total new obligations .....	.....	1	.....
73.20	Total outlays (gross) .....	.....	-2	-1
73.45	Recoveries of prior year obligations .....	.....	-2	.....
74.40	Obligated balance, end of year .....	.....	7	6
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority .....	.....	.....	-1
86.93	Outlays from discretionary balances .....	.....	2	2
87.00	Total outlays (gross) .....	.....	2	1
Net budget authority and outlays:				
89.00	Budget authority .....	.....	.....	-5
90.00	Outlays .....	.....	2	1

No funds are proposed for the Forestry Incentives Program (FIP). The FIP was not reauthorized by the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). Prior-year account balances are maintained in this account until expended.

FIP shares up to 65 percent of the cost of tree planting and timber stand improvement. The percentage cost-shared depends on the rate set in a particular State and county by NRCS, after consulting with the State forester. The program is available in designated counties based on a Forest Service survey of total eligible private timberland available for production of timber products. Technical assistance is provided by the Forest Service.

WATER BANK PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3320-0-1-302		2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:				
21.40 Unobligated balance carried forward, start of year				
22.00	New budget authority (gross) .....	.....	1	-1
23.90	Total budgetary resources available for obligation	1	.....	.....
24.40	Unobligated balance carried forward, end of year	1	.....	.....
New budget authority (gross), detail:				
Discretionary:				
40.36	Unobligated balance permanently reduced .....	.....	.....	-1
Change in obligated balances:				
72.40	Obligated balance, start of year .....	.....	2	2
73.20	Total outlays (gross) .....	.....	-1	.....
74.40	Obligated balance, end of year .....	.....	2	1
Outlays (gross), detail:				
86.93	Outlays from discretionary balances .....	.....	.....	1
Net budget authority and outlays:				
89.00	Budget authority .....	.....	.....	-1
90.00	Outlays .....	.....	1	.....

The objectives of the Water Bank Program are to conserve water; preserve, maintain, and improve the Nation's wetlands; increase waterfowl habitat in migratory waterfowl nesting, breeding, and feeding areas in the United States; and secure recreational and environmental benefits for the Nation. The program was authorized by the Water Bank Act of 1970, as amended by Public Law 96-182, approved January 2, 1980. Funding for the expiring 1985 Water Bank agreements were transferred from the Wetlands Reserve Program 1995 appro-

priation to this account as authorized under the Water Bank Extension Act of 1994. The 2006 Budget does not request program funding.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3318-0-1-304	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	1		
10.00 Total new obligations (object class 99.5)	1		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
23.95 Total new obligations		−1	
24.40 Unobligated balance carried forward, end of year	1		
Change in obligated balances:			
73.10 Total new obligations		1	
73.20 Total outlays (gross)		−1	
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	1		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1		

The Colorado River Basin Salinity Control Program (CRBSC), was authorized under section 202(c) of Title II of the Colorado River Basin Salinity Control Act, as amended by section 334, subtitle D, Title III of the Federal Agriculture Improvement Act (FAIR Act) of 1996. The FAIR Act, combined authority of the Agricultural Conservation Program (ACP), Water Quality Incentive Program (WQIP), Great Plains Conservation Program (GPCP), and the Colorado River Basin Salinity Control Program (CRBSC), into the Environmental Quality Incentives Program (EQIP). The FAIR Act also repealed CRBSC authority, while maintaining program account balances until expended.

Beginning in 1996, EQIP was implemented on an interim program level for CRBSC. Program funding provided cost-share assistance to landowners and others in the Colorado River Basin States to include: Colorado, Utah and Wyoming. The program's main objective is to enhance the supply and quality of water in the Colorado River for delivery to downstream users in the U.S. and Mexico.

WETLANDS RESERVE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-1080-0-1-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.03 Technical Assistance	1		
10.00 Total new obligations (object class 25.2)	1		
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	1	1
23.95 Total new obligations	−1		
24.40 Unobligated balance carried forward, end of year	1	1	1
Change in obligated balances:			
72.40 Obligated balance, start of year	2	3	3
73.10 Total new obligations	1		
73.20 Total outlays (gross)	−1		
74.40 Obligated balance, end of year	3	3	3

Outlays (gross), detail:			
86.98 Outlays from mandatory balances		1	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1		

The Wetlands Reserve Program (WRP) is authorized by Section 1237 of the Food Security Act of 1985 (P.L. 99-198), as amended by the Food, Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624), the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66), the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127), the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2001 (P.L. 106-387), and the Farm Security and Rural Investment Act of 2002 (P.L. 107-171).

Information displayed in this section represents unobligated balances from the non-CCC account in which WRP was funded prior to the 1996 Farm Bill.

WILDLIFE HABITAT INCENTIVES PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3322-0-1-302	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	2	2
22.10 Resources available from recoveries of prior year obligations		1	
23.90 Total budgetary resources available for obligation	2	2	2
24.40 Unobligated balance carried forward, end of year	2	2	2
Change in obligated balances:			
72.40 Obligated balance, start of year	19	16	14
73.20 Total outlays (gross)	−2	−2	−2
73.45 Recoveries of prior year obligations	−1		
74.40 Obligated balance, end of year	16	14	12
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	2	2	2
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	2	2	2

Section 1240N of the Food Security Act of 1985, as amended by Section 2502 of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill), authorized the Wildlife Habitat Incentives Program (WHIP) as a voluntary approach to improving wildlife habitat in our nation. The Natural Resources Conservation Service (NRCS) provides program administration for WHIP.

WHIP is a voluntary program that provides assistance to eligible participants to develop upland wildlife, wetland wildlife, threatened and endangered species, fish and other types of wildlife habitat in an environmentally beneficial and cost effective manner. The purpose of the program is to create high-quality wildlife habitats that support wildlife populations of local, state, and national significance.

WHIP supports the USDA strategic plan goal to maintain and enhance the nation's natural resources and the environment. Although the primary purpose of the program is wildlife habitat development and enhancement, the benefits are not limited to wildlife. The practices are often compatible with and beneficial to farming and ranching enterprises. Some practices enhance farm profitability by improving grazing conditions, reducing management expenses, and by producing non-crop income from the lease of rights to harvest and observe wild game and fish. The program has been utilized to control invasive species, re-establish native vegeta-

WILDLIFE HABITAT INCENTIVES PROGRAM—Continued

tion, manage non-industrial forestland, stabilize stream banks, protect, develop or enhance unique habitats, and remove barriers that impede migration of certain species.

NRCS and the participant enter into a cost-share agreement for wildlife habitat development. This agreement generally lasts from 5 to 10 years from the date the agreement is signed. WHIP funds are distributed to state NRCS offices based on state wildlife habitat priorities. Partnerships with other entities are preferred: WHIP may be implemented in cooperation with other Federal, State, or local agencies, conservation districts, or private conservation groups. State priorities are developed through a locally led process to identify wildlife resource needs and are finalized in consultation with the State Technical Committee.

The 2002 Farm Bill reauthorized WHIP through 2007. Funding for WHIP is now provided through NRCS's Farm Security and Rural Investment Account. Information displayed in this section represents unobligated balances remaining from the 1996 Farm Bill only.

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION PROGRAM ACCOUNT

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2086-0-1-351	2004 actual	2005 est.	2006 est.
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Downward reestimate subsidy budget authority	—1	.....	.....
237901 Total downward reestimate subsidy budget authority	—1	.....	.....

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Credit accounts:

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4177-0-3-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.02 Interest Payment to Treasury	1	.....	.....
08.02 Downward Reestimate Payment to receipt account	1	.....	.....
10.00 Total new obligations	1	1	.....
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	1	.....
23.95 Total new obligations	—1	—1	.....
24.40 Unobligated balance carried forward, end of year	1	.....	.....
Change in obligated balances:			
73.10 Total new obligations	1	1	.....
73.20 Total financing disbursements (gross)	—1	.....	.....
87.00 Total financing disbursements (gross)	1	.....	.....
Net financing authority and financing disbursements:			
89.00 Financing authority	1	.....	.....
90.00 Financing disbursements	1	.....	.....

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4177-0-3-351	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	.....	.....	.....
2150 Total guaranteed loan commitments .....	.....	.....	.....
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	12	.....	.....
2251 Repayments and prepayments	—12	.....	.....
2290 Outstanding, end of year .....	.....	.....	.....
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	.....	.....	.....

This program, also known as "Farms for the Future," provides guarantees and interest assistance on loans made to State trust funds, who in turn finance acquisitions to preserve farmland in selected states. No guarantees have been made since 1993.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4177-0-3-351	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	2	1
1999 Total assets	2	1
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	2	1
2999 Total liabilities	2	1
4999 Total liabilities and net position	2	1

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Receipts (in millions of dollars)

Identification code 12-8210-0-7-302	2004 actual	2005 est.	2006 est.
Receipts:			
02.20 Miscellaneous contributed funds	1	1	1
04.00 Total: Balances and collections	6	6	6
Appropriations:			
05.01 National Agricultural Statistics Service	—1	—1	—1
07.99 Balance, end of year	5	5	5

Program and Financing (in millions of dollars)

Identification code 12-8210-0-7-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	4	5	.....
10.00 Total new obligations (object class 25.2)	4	5	.....
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	8	5	.....
23.95 Total new obligations	—4	—5	.....
24.40 Unobligated balance carried forward, end of year	5	.....	.....

Change in obligated balances:

72.40 Obligated balance, start of year	—1	1	3
73.10 Total new obligations	4	5	.....

73.20	Total outlays (gross)	-1	-3	-3
74.40	Obligated balance, end of year	1	3	
Outlays (gross), detail:				
86.98	Outlays from mandatory balances	1	3	3
Net budget authority and outlays:				
89.00	Budget authority	1	3	
90.00	Outlays	1	3	3

Funds received from State and local organizations, and others are available for work under cooperative agreements for soil survey, watershed protection, and resource conservation and development activities.

Personnel Summary

Identification code 12-8210-0-7-302	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1	1	1

RURAL DEVELOPMENT

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs in the Rural Development mission area, including activities with institutions concerning the development and operation of agricultural cooperatives; and for cooperative agreements; **[\$148,452,000] \$167,849,000: Provided, [T]hat of funds appropriated under this title for salaries and expenses, not less than \$5,000,000 shall be used to complete the consolidation of Rural Development activities in St. Louis, to the Goodfellow facility also in St. Louis: *Provided further, [T]hat notwithstanding any other provision of law, funds appropriated under this section may be used for advertising and promotional activities that support the Rural Development mission area: *Provided further, That not more than \$10,000 may be expended to provide modest nonmonetary awards to non-USDA employees: *Provided further, That any balances available from prior years for the Rural Utilities Service, Rural Housing Service, and the Rural Business-Cooperative Service salaries and expenses accounts shall be transferred to and merged with this appropriation. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)*****

Program and Financing (in millions of dollars)

Identification code 12-0403-0-1-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct program	141	147	168
09.01 Reimbursable program	499	490	515
10.00 Total new obligations	640	637	683
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	641	637	683
23.95 Total new obligations	-640	-637	-683
23.98 Unobligated balance expiring or withdrawn	-2	.....	.....

New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	142	148	168
40.35 Appropriation permanently reduced	-1	-1	.....
43.00 Appropriation (total discretionary)	141	147	168
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	500	490	515
70.00 Total new budget authority (gross)	641	637	683

Change in obligated balances:				
72.40 Obligated balance, start of year	131	130	129	
73.10 Total new obligations	640	637	683	
73.20 Total outlays (gross)	-633	-638	-676	
73.40 Adjustments in expired accounts (net)	-9	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired)	1	.....	.....
74.40 Obligated balance, end of year	130	129	136	
Outlays (gross), detail:				
86.90 Outlays from new discretionary authority	552	535	574	
86.93 Outlays from discretionary balances	81	103	102	
87.00 Total outlays (gross)	633	638	676	
Offsets:				
Against gross budget authority and outlays:				
88.00 Offsetting collections (cash) from: Federal sources	-501	-490	-515	
Against gross budget authority only:				
88.96 Portion of offsetting collections (cash) credited to expired accounts	1	.....	.....
Net budget authority and outlays:				
89.00 Budget authority	141	147	168	
90.00 Outlays	132	148	161	

Since 2001, Rural Development has had a consolidated Salaries and Expenses account to administer all Rural Development programs, including programs administered by the Rural Utilities Service (RUS), the Rural Housing Service (RHS), and the Rural Business-Cooperative Service (RBS).

RUS provides grants, direct loans and loan guarantees to suppliers of electric, telecommunications (for general purpose and for distance learning/telemedicine), and water and wastewater services in rural areas. Through the water and wastewater program, RUS also provides technical assistance. The programs are administered in Washington, DC. The Rural Development field office staff performs the services related to the water and wastewater grant and loan programs. For the electric and telecommunication loans, general field representatives visit borrowers periodically and maintain liaisons between the borrowers and headquarters.

RHS was formed from the Rural Housing section of the Farmers Home Administration and the Community Facilities Division of the Rural Development Administration. RHS delivers rural housing and community facility programs through a system of State, area, and local offices.

RBS includes programs from the former Rural Development Administration, rural development programs from the former Rural Electrification Administration, and the Agricultural Cooperative Service. This agency delivers loan and grant programs, as well as technical assistance, to cooperatives and rural businesses.

Object Classification (in millions of dollars)

Identification code 12-0403-0-1-452	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	79	82	99
11.3 Other than full-time permanent	1	2	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	81	85	101
12.1 Civilian personnel benefits	20	23	26
21.0 Travel and transportation of persons	3	4	4
23.1 Rental payments to GSA	6	5	6
23.2 Rental payments to others	2	3	1
23.3 Communications, utilities, and miscellaneous charges	5	5	3
24.0 Printing and reproduction	1	1	1
25.1 Advisory and assistance services	8	.....	1
25.2 Other services	1	1	12
25.3 Other purchases of goods and services from Government accounts .....	.....	6	5
25.4 Operation and maintenance of facilities	2	2	2
25.5 Research and development contracts	5	5	1
25.6 Medical care	3	3	.....

General and special funds—Continued

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-0403-0-1-452		2004 actual	2005 est.	2006 est.
25.7	Operation and maintenance of equipment	1	2	
26.0	Supplies and materials	2	2	1
31.0	Equipment	1	1	1
42.0	Insurance claims and indemnities	1	1	
99.0	Direct obligations	141	147	168
99.0	Reimbursable obligations	499	490	515
99.9	Total new obligations	640	637	683

Personnel Summary

Identification code 12-0403-0-1-452		2004 actual	2005 est.	2006 est.
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	1,399	1,686	1,493
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment	5,267	5,186	5,379

RURAL COMMUNITY ADVANCEMENT PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1926a, 1926c, 1926d, and 1932, except for sections 381E–H and 381N of the Consolidated Farm and Rural Development Act, **[\$716,049,000]** **\$521,689,000**, to remain available until expended, of which **[\$89,180,000]** **\$27,806,000** shall be for rural community programs described in section 381E(d)(1) of such Act; of which **[\$52,689,000]** **\$449,662,000** shall be for the rural utilities programs described in sections 381E(d)(2), 306C(a)(2), and 306D of such Act, of which not to exceed \$500,000 shall be available for the rural utilities program described in section 306(a)(2)(B) of such Act, and of which not to exceed \$1,000,000 shall be available for the rural utilities program described in section 306E of such Act; and of which **[\$74,180,000]** **\$44,221,000** shall be for the rural business and cooperative development programs described in sections 381E(d)(3) and 310B(f) of such Act: *Provided*, That of the total amount appropriated in this account, **[\$25,000,000]** **\$9,000,000** shall be for loans and grants to benefit Federally Recognized Native American Tribes, including grants for drinking water and waste disposal systems pursuant to section 306C of such Act, of which \$4,500,000 shall be available for community facilities grants to tribal colleges, as authorized by section 306(a)(19) of the Consolidated Farm and Rural Development Act, and of which \$250,000 shall be available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development: *Provided further*, That of the amount appropriated for rural community programs, \$6,350,000 shall be available for a Rural Community Development Initiative: *Provided further*, That such funds shall be used solely to develop the capacity and ability of private, nonprofit community-based housing and community development organizations, low-income rural communities, and Federally Recognized Native American Tribes to undertake projects to improve housing, community facilities, community and economic development projects in rural areas: *Provided further*, That such funds shall be made available to qualified private, nonprofit and public intermediary organizations proposing to carry out a program of financial and technical assistance: *Provided further*, That such intermediary organizations shall provide matching funds from other sources, including Federal funds for related activities, in an amount not less than funds provided: *Provided further*, That of the amount appropriated for the rural business and cooperative development programs, not to exceed \$500,000 shall be made available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development; \$1,000,000 shall be for grants to the Delta Regional Authority (7 U.S.C. 1921 et seq.) for any purpose under this heading: *Provided further*, That of the amount appropriated for rural utilities programs, not to exceed

[\$25,000,000] **\$11,800,000** shall be for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants pursuant to section 306C of such Act; not to exceed **[\$26,000,000]** **\$11,800,000** shall be for water and waste disposal systems for rural and native villages in Alaska pursuant to section 306D of such Act, with up to 2 percent available to administer the program and/or improve interagency coordination may be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses", of which \$100,000 shall be provided to develop a regional system for centralized billing, operation, and management of rural water and sewer utilities through regional cooperatives, of which 25 percent shall be provided for water and sewer projects in regional hubs, and the State of Alaska shall provide a 25 percent cost share, and grantees may use up to 5 percent of grant funds, not to exceed \$35,000 per community, for the completion of comprehensive community safe water plans]; not to exceed **[\$18,250,000]** **\$16,215,000** shall be for technical assistance grants for rural water and waste systems pursuant to section 306(a)(14) of such Act, of which \$5,600,000 shall be for Rural Community Assistance Programs and not less than \$800,000 shall be for a qualified national Native American organization to provide technical assistance for rural water systems for tribal communities]; and not to exceed **[\$13,500,000]** **\$9,500,000** shall be for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That of the total amount appropriated, not to exceed **[\$22,166,000]** **\$13,367,000** shall be available through June 30, **[2005]** **2006**, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones; of which **[\$1,081,000]** **\$1,067,000** shall be for the rural community programs described in section 381E(d)(1) of such Act, of which **[\$12,582,000]** **\$12,000,000** shall be for the rural utilities programs described in section 381E(d)(2) of such Act, and of which **[\$8,503,000]** **\$300,000** shall be for the rural business and cooperative development programs described in section 381E(d)(3) of such Act: *Provided further*, That of the amount appropriated for rural community programs, not to exceed \$21,000,000 shall be to provide grants for facilities in rural communities with extreme unemployment and severe economic depression (Public Law 106-387), with 5 percent for administration and capacity building in the State rural development offices: *Provided further*, That of the amount appropriated, \$28,000,000 shall be transferred to and merged with the "Rural Utilities Service, High Energy Cost Grants Account" to provide grants authorized under section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 918a): *Provided further*, That any prior year balances for high cost energy grants authorized by section 19 of the Rural Electrification Act of 1936 (7 U.S.C. 901(19)) shall be transferred to and merged with the "Rural Utilities Service, High Energy Costs Grants Account". (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

[For an additional amount for the "Rural Community Advancement Program", \$68,000,000, to remain available until expended: *Provided*, That \$50,000,000 shall be available for water and waste disposal grants as authorized by 7 U.S.C. 1926(a): *Provided further*, That \$18,000,000 shall be for the cost of community facility direct loans and grants as authorized by 7 U.S.C. 1926(a): *Provided further*, That loans and grants under this heading shall be available for projects in communities affected by hurricanes and tropical storms in calendar year 2003 or 2004: *Provided further*, That the amounts provided under this heading are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.] (Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-0400-0-1-452		2004 actual	2005 est.	2006 est.
0102	Negative subsidies/subsidy reestimates	102	.....	.....
0104	Negative subsidies/subsidy reestimates	19	.....	.....
0106	Negative subsidies/subsidy reestimates	18	.....	.....
0107	Negative subsidies/subsidy reestimates	1	.....	.....

Program and Financing (in millions of dollars)			
Identification code 12-0400-0-1-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loan subsidy	30	113	79
00.02 Guaranteed loan subsidy	47	32	45
00.05 Reestimate of Direct Loan Subsidy	36	.....	.....
00.06 Interest on Reestimates of Direct Loan Subsidy	9	.....	.....
00.07 Reestimates of Guaranteed Loan Subsidy	35	.....	.....
00.08 Interest on Reestimate of Guaranteed Loan Subsidy	9	.....	.....
00.11 Water and waste disposal systems grants	554	448	377
00.12 Water and waste disposal systems emergency supplemental grants .....	.....	50	.....
00.13 Emergency and imminent community water assistance grants	15	23	.....
00.14 Solid waste management grants	3	4	4
00.15 Community facility grants	21	30	17
00.16 Community facility emergency supplemental grants .....	.....	13	.....
00.18 Economic impact initiative grants	23	21	.....
00.20 Rural business enterprise grants	50	44	.....
00.21 Rural business opportunity grants	3	6	.....
00.26 Rural Community Development Initiative Grants	7	13	.....
10.00 Total new obligations (object class 41.0)	842	797	522
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	38	42	.....
22.00 New budget authority (gross)	814	755	522
22.10 Resources available from recoveries of prior year obligations	32	.....	.....
23.90 Total budgetary resources available for obligation	884	797	522
23.95 Total new obligations	842	797	522
24.40 Unobligated balance carried forward, end of year	42	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	757	721	522
40.00 Appropriation, Hurricane Supplemental .....	.....	68	.....
40.35 Appropriation permanently reduced	−4	−6	.....
41.00 Transferred to other accounts	−28	−28	.....
43.00 Appropriation (total discretionary)	725	755	522
Mandatory:			
60.00 Appropriation	89	.....	.....
70.00 Total new budget authority (gross)	814	755	522
Change in obligated balances:			
72.40 Obligated balance, start of year	2,734	2,637	2,536
73.10 Total new obligations	842	797	522
73.20 Total outlays (gross)	−906	−898	−842
73.40 Adjustments in expired accounts (net)	−1	.....	.....
73.45 Recoveries of prior year obligations	−32	.....	.....
74.40 Obligated balance, end of year	2,637	2,536	2,216
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	78	55	44
86.93 Outlays from discretionary balances	637	771	755
86.97 Outlays from new mandatory authority	89	.....	.....
86.98 Outlays from mandatory balances	102	72	43
87.00 Total outlays (gross)	906	898	842
Net budget authority and outlays:			
89.00 Budget authority	814	755	522
90.00 Outlays	906	898	842

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-0400-0-1-452	2004 actual	2005 est.	2006 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct water and waste disposal	895	992	1,000
115002 Direct community facility	500	433	300
115901 Total direct loan levels	1,395	1,425	1,300
Direct loan subsidy (in percent):			
132001 Direct water and waste disposal	3.33	9.00	6.91
132002 Direct community facility	−0.71	4.05	3.35
132901 Weighted average subsidy rate	1.88	7.50	6.09

Direct loan subsidy budget authority:			
133001 Direct water and waste disposal	30	89	69
133002 Direct community facility	−3	18	10
133901 Total subsidy budget authority	27	107	79
Direct loan subsidy outlays:			
134001 Direct water and waste disposal	71	80	72
134002 Direct community facility	14	14	14
134901 Total subsidy outlays	85	94	86
Direct loan upward reestimate subsidy budget authority:			
135001 Direct water and waste disposal .....	.....	.....	.....
135002 Direct community facility	1	.....	.....
135003 Direct business and industry	45	.....	.....
135901 Total upward reestimate budget authority	46	.....	.....
Direct loan downward reestimate subsidy budget authority:			
137001 Direct water and waste disposal	−101	.....	.....
137002 Direct community facility	−18	.....	.....
137003 Direct business and industry .....	.....	.....	.....
137901 Total downward reestimate budget authority	−119	.....	.....
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Water and waste disposal loan guarantees	41	75	75
215002 Community facility loan guarantees	205	210	210
215003 Business and industry loan guarantees	971	600	899
215901 Total loan guarantee levels	1,217	885	1,184
Guaranteed loan subsidy (in percent):			
232001 Water and waste disposal loan guarantees	−0.90	−0.90	−0.90
232002 Community facility loan guarantees	−0.60	0.09	0.36
232003 Business and industry loan guarantees	4.86	5.03	4.92
232901 Weighted average subsidy rate	3.75	3.36	3.74
Guaranteed loan subsidy budget authority:			
233001 Water and waste disposal loan guarantees .....	.....	−1	−1
233002 Community facility loan guarantees	−1	30	44
233003 Business and industry loan guarantees	47	.....	.....
233901 Total subsidy budget authority	46	29	44
Guaranteed loan subsidy outlays:			
234002 Community facility loan guarantees	−1	.....	.....
234003 Business and industry loan guarantees	42	13	29
234901 Total subsidy outlays	41	13	29
Guaranteed loan upward reestimate subsidy budget authority:			
235002 Community facility loan guarantees	3	.....	.....
235003 Business and industry loan guarantees	41	.....	.....
235901 Total upward reestimate budget authority	44	.....	.....
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Downward reestimate subsidy budget authority	−20	.....	.....
237901 Total downward reestimate subsidy budget authority	−20	.....	.....

This account consolidates under the Rural Community Advancement Program (RCAP) funding for the direct and guaranteed water and waste disposal loans, water and waste disposal grants, emergency community water assistance grants, solid waste management grants, direct and guaranteed community facility loans, community facility grants, direct and guaranteed business and industry loans, rural business enterprise grants, and rural business opportunity grants. This is in accordance with the provisions set forth in the Federal Agriculture Improvement and Reform Act of 1996, as amended, Public Law 104-127 (the 1996 Act). Consolidating funding for these loan and grant programs under RCAP provides greater flexibility to tailor financial assistance to applicant needs. Funding in 2006 for all programs is projected to be near or slightly above the 2006 enacted level except for guaranteed business and industry loans.

RCAP is composed of the following three funding streams: Rural Community Facilities, Rural Utilities, and Rural Business and Cooperative Development. Funds for Native American Communities are provided as part of the whole amount appropriated for these streams as part of the Native Americans Initiative. The funds are allocated to two of the funding streams.

General and special funds—Continued**RURAL COMMUNITY ADVANCEMENT PROGRAM**—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Water and waste disposal loans are authorized under 7 U.S.C. 1926. The program provides direct loans to municipalities, counties, special purpose districts, certain Indian Tribes, and non-profit corporations to develop water and waste disposal systems in rural areas and towns with populations of less than 10,000. The program also guarantees water and waste disposal loans made by banks and other eligible lenders. Total loan level is projected to be \$1 billion for these programs in 2006.

Water and waste disposal grants are authorized under Section 306(a)(2) of the Consolidated Farm and Rural Development Act, as amended. Grants are authorized to be made to associations, including nonprofit corporations, municipalities, counties, public and quasi-public agencies, and certain Indian tribes. The grants can be used to finance development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas and cities or towns with populations of less than 10,000. The amount of any development grant may not exceed 75 percent of the eligible development cost of the project. \$377 million is projected for this program in 2006.

Emergency community water assistance grants are authorized under Section 306A of the Consolidated Farm and Rural Development Act, as amended. Grants are made to public bodies and nonprofit organizations for construction or extension of water lines, repair or maintenance of existing systems, replacement of equipment, and payment of costs to correct emergency situations. These grants are funded on an as needed basis using RCAP flexibility of funds authorization.

Solid waste management grants are authorized under Section 310B(b) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to non-profit organizations to provide regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources, and for improving the planning and management of solid waste disposal facilities. \$3.5 million is projected for this program in 2006.

Community facility loans and grants are authorized under sections 306(a)(1) and 306(a)(19) of the Consolidated Farm and Rural Development Act, as amended. Loans are provided to local governments and nonprofit organizations for the construction and improvement of community facilities providing essential services in rural areas of not more than 20,000 population, such as hospitals and fire stations. Total program level in 2006 is projected to be \$527 million.

Business and industry guaranteed and direct loans are authorized under section 310B(a)(1) of the Consolidated Farm and Rural Development, as amended. These loans are made to public, private or cooperative organizations, Indian tribes or tribal groups, corporate entities, or individuals for the purpose of improving the economic climate in rural areas. For direct loans no funds were requested or provided since 2002, and no funds are requested in 2006. 2006 projections for loan guarantees are \$899 million.

No funding is provided in this account for the rural business enterprise grants or the rural business opportunity grants. For grants like these that are for community organizations to stimulate economic development, the FY 2006 Budget proposes to consolidate them into a new economic and community development program to be administered by the Department of Commerce. The new program would be designed to achieve greater results and focus on communities most in need of assistance.

NORTHERN GREAT PLAINS REGIONAL AUTHORITY**Program and Financing** (in millions of dollars)

Identification code 12-0404-0-1-452	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	2	1	..
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	2	1	..
Change in obligated balances:			
73.20 Total outlays (gross)	–1	–1	..
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	1	..
Net budget authority and outlays:			
89.00 Budget authority	2	1	..
90.00 Outlays	1	1	..

The Northern Great Plains Regional Authority was established under section 6028 of the Farm Security and Rural Investment Act of 2002 Public Law 107-171. This account is for the Federal share of the administrative expenses associated with the Northern Great Plains Regional Authority.

RURAL HOUSING SERVICE**Federal Funds****General and special funds:****RURAL HOUSING ASSISTANCE GRANTS**

For grants and contracts for very low-income housing repair, supervisory and technical assistance, compensation for construction defects, and rural housing preservation made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, 1479(c), 1490e, and 1490m, **[\$43,992,000]** **\$41,000,000**, to remain available until expended: *Provided*, That \$3,000,000 shall be made available for loans to private non-profit organizations, or such non-profit organizations' affiliate loan funds and State housing finance agencies, to carry out a housing demonstration program to provide revolving loans for the preservation of low-income multi-family housing projects: *Provided further*, That loans under such demonstration program shall have an interest rate of not more than 1 percent direct loan to the recipient: *Provided further*, That the Secretary may defer the interest and principal payment to the Rural Housing Service for up to 3 years and the term of such loans shall not exceed 30 years: *Provided further*, That of the total amount appropriated, **[\$1,800,000]** of which **\$1,200,000** shall be available through June 30, **[2005]** 2006, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones. *(Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)*

For an additional amount for "Rural Housing Assistance Grants", \$13,000,000, to remain available until expended, of which \$8,000,000 shall be for grants and contracts for very low-income housing repair, made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, and of which \$5,000,000 shall be for domestic farm labor housing grants and contracts, as authorized by 42 U.S.C. 1486: *Provided*, That of the funds made available for domestic farm labor housing grants, the Secretary may use up to \$3,000,000 to provide grants authorized under 42 U.S.C. 5177a(a): *Provided further*, That such grants and contracts under this heading shall only be available for projects in communities affected by hurricanes and tropical storms in calendar year 2003 or 2004: *Provided further*, That the amounts provided under this heading are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287. **[\$1,000,000]** **\$1,000,000** (Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)

Program and Financing (in millions of dollars)			
Identification code 12-1953-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Domestic Farm Labor housing natural disaster grants	5	.....
00.03 Very low-income housing repair grants	31	31	30
00.04 Very low-income housing repair natural disaster grants	2	9	.....
00.05 Supervisory and technical assistance grants	2	1	1
00.06 Processing Workers Housing Grants .....	.....	8	.....
00.07 Rural housing preservation grants	9	9	10
00.09 Multi-Family Housing Preservation Demo Revolving Fund .....	.....	3	.....
10.00 Total new obligations (object class 41.0)	44	66	41
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	11	1
22.00 New budget authority (gross)	46	56	41
22.10 Resources available from recoveries of prior year obligations	2	.....
22.21 Unobligated balance transferred to other accounts	-4	.....
23.90 Total budgetary resources available for obligation	54	67	42
23.95 Total new obligations	-44	-66	-41
24.40 Unobligated balance carried forward, end of year	11	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	46	57	41
40.36 Unobligated balance permanently reduced .....	.....	-1	.....
43.00 Appropriation (total discretionary)	46	56	41
Change in obligated balances:			
72.40 Obligated balance, start of year	32	29	29
73.10 Total new obligations	44	66	41
73.20 Total outlays (gross)	-45	-66	-48
73.45 Recoveries of prior year obligations	-2	.....
74.40 Obligated balance, end of year	29	29	22
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	30	36	27
86.93 Outlays from discretionary balances	15	30	21
87.00 Total outlays (gross)	45	66	48
Net budget authority and outlays:			
89.00 Budget authority	46	56	41
90.00 Outlays	45	66	48

The rural housing for domestic farm labor grant program is authorized under section 516 of the Housing Act of 1949, as amended. This program was funded under this heading until 2001. Starting in 2001, it is funded under the Farm Labor Program Account.

The very low-income housing repair grant program is authorized under section 504 of the Housing Act of 1949, as amended. This grant program enables very low-income elderly residents in rural areas to improve or modernize their dwellings, to make the dwelling safer or more sanitary, or to remove health and safety hazards. The Budget provides \$30 million for this program in 2006.

The supervisory and technical assistance grant program is carried out under the provisions of section 509(f) and 525 of the Housing Act of 1949, as amended. Under section 509, grants are made to public and private nonprofit organizations for packaging loan applications for housing under sections 502, 504, 514/516, 515, and 533 of the Housing Act of 1949, as amended. The assistance is to be directed to underserved areas where at least 20 percent or more of the population is at or below the poverty level, and at least 10 percent or more of the population resides in substandard housing. Under section 525, grants are made to public and private nonprofit organizations and other associations for the developing, conducting, administering or coordinating of technical and supervisory assistance programs to demonstrate the bene-

fits of Federal, State, and local housing programs for low-income families in rural areas. The Budget provides \$1 million for this program in 2006.

The rural housing preservation grant program is authorized under section 533 of the Housing Act of 1949, as amended. Grants are made to eligible nonprofit groups, Indian tribes, or government agencies for rehabilitation of single family housing owned by low- and very low-income families and the rehabilitation of rental and cooperative housing for low- and very low-income families. \$10 million is provided for this program in 2006.

FARM LABOR PROGRAM ACCOUNT

For the cost of direct loans, grants, and contracts, as authorized by 42 U.S.C. 1484 and 1486, [[\$34,118,000]] \$32,728,000, to remain available until expended, for direct farm labor housing loans and domestic farm labor housing grants and contracts. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-1954-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loan subsidy	15	20	19
00.11 Farm labor housing grants	18	24	14
10.00 Total new obligations (object class 41.0)	33	44	33
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	10	.....
22.00 New budget authority (gross)	36	34	33
22.10 Resources available from recoveries of prior year obligations	2	.....
23.90 Total budgetary resources available for obligation	43	44	33
23.95 Total new obligations	-33	-44	-33
24.40 Unobligated balance carried forward, end of year	10	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	36	34	33
Change in obligated balances:			
72.40 Obligated balance, start of year	88	104	123
73.10 Total new obligations	33	44	33
73.20 Total outlays (gross)	-15	-25	-27
73.45 Recoveries of prior year obligations	-2	.....
74.40 Obligated balance, end of year	104	123	129
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	15	25	27
Net budget authority and outlays:			
89.00 Budget authority	36	34	33
90.00 Outlays	15	25	27

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1954-0-1-604	2004 actual	2005 est.	2006 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Farm Labor Program	36	38	42
115901 Total direct loan levels	36	38	42
Direct loan subsidy (in percent):			
132001 Farm Labor Program	42.73	47.06	44.59
132901 Weighted average subsidy rate	42.73	47.06	44.59
Direct loan subsidy budget authority:			
133001 Farm Labor Program	15	18	19
133901 Total subsidy budget authority	15	18	19
Direct loan subsidy outlays:			
134001 Farm Labor Program	10	7	9

General and special funds—Continued

FARM LABOR PROGRAM ACCOUNT—Continued

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)—Continued

Identification code 12-1954-0-1-604	2004 actual	2005 est.	2006 est.
134901 Total subsidy outlays	10	7	9

The account consists of direct farm labor housing loans and domestic farm labor housing grants.

The direct farm labor loan program is authorized under section 514 and the rural housing for domestic farm labor grant program is authorized under section 516 of the Housing Act of 1949, as amended. The loans, grants, and contracts are made to public and private nonprofit organizations for low-rent housing and related facilities for domestic farm labor. Grants assistance may not exceed 90 percent of the cost of a project. Loans and grants may be used for construction of new structures, site acquisition and development, rehabilitation of existing structures, and purchase of furnishings and equipment for dwellings, dining halls, community rooms, and infirmaries. Total program level provided in 2006 is \$56 million (\$14 million in grants and \$42 million in loan level).

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, [§592,000,000] \$650,026,000; and, in addition, such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: *Provided*, That of this amount, up to \$5,900,000 [shall] may be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed \$20,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further*, That agreements entered into or renewed during the current fiscal year shall be funded for a four-year period: *Provided further*, That any unexpended balances remaining at the end of such four-year agreements may be transferred and used for the purposes of any debt reduction; maintenance, repair, or rehabilitation of any existing projects; preservation; and rental assistance activities authorized under title V of the Act, although the life of any such agreement may be extended to fully utilize amounts obligated. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-0137-0-1-604	2004 actual	2005 est.	2006 est.
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Obligations by program activity:

00.01 Direct Program Activity	581	587	650
10.00 Total new obligations (object class 41.0)	581	587	650

Budgetary resources available for obligation:

22.00 New budget authority (gross)	581	587	650
23.95 Total new obligations	-581	-587	-650

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	584	592	650
40.00 Appropriation	60	60	59
40.35 Appropriation permanently reduced	-3	-5	.....
40.47 Portion substituted for borrowing authority	-60	-60	-59
43.00 Appropriation (total discretionary)	581	587	650

Change in obligated balances:

72.40 Unpaid obligations, appropriation, start of year	2,789	2,593	2,732
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73.10 Total new obligations	581	587	650
73.20 Total outlays (gross)	-775	-448	-460
73.40 Adjustments in expired accounts (net)	-1	.....	.....
74.40 Obligated balance, appropriation, end of year	2,593	2,732	2,922
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	44	47	52
86.93 Outlays from discretionary balances	731	401	408
87.00 Total outlays (gross)	775	448	460
Net budget authority and outlays:			
89.00 Budget authority	581	587	650
90.00 Outlays	775	448	460

The rental assistance program is authorized under section 521(a)(2) of the Housing Act of 1949, as amended, and is designed to reduce rents paid by very low-income and low-income families living in RHS-financed rural rental and farm labor housing projects. Funding under this account is provided for renewals of existing rental assistance contracts, assistance for newly constructed units financed by the section 515 rural rental and cooperative housing program or the 514/516 farm labor housing loan and grant programs, and for additional servicing assistance for existing projects. Assistance is also provided in lieu of debt forgiveness or payments for eligible households to subsidize tenant rents in projects purchased by eligible nonprofit organizations or public agencies as authorized by section 502(c)(5)(D) of the Act.

From 1978 through 1991, the rental assistance program was funded under the Rural Housing Insurance Fund. Beginning in 1992, pursuant to Credit Reform, a separate grant account was established for this program.

RURAL HOUSING VOUCHER PROGRAM

For the rural housing voucher program, authorized by section 542 of the Housing Act of 1949, but notwithstanding subsection (b) of such section, \$214,000,000, to remain available until expended, of which up to \$10,000,000 may be transferred to and merged with "Salaries And Expenses," Rural Development, to be used only for administrative expenses relating to the revitalization of USDA's multifamily housing portfolio.

Program and Financing (in millions of dollars)

Identification code 12-2002-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity .....	.....	.....	214
Budgetary resources available for obligation:			
22.00 New budget authority (gross) .....	.....	.....	214
23.95 Total new obligations .....	.....	.....	-214
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation .....	.....	.....	214
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	1
73.10 Total new obligations .....	.....	.....	214
73.20 Total outlays (gross) .....	.....	.....	-64
74.40 Obligated balance, end of year	1	1	151
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority .....	.....	.....	64
Net budget authority and outlays:			
89.00 Budget authority .....	.....	.....	214
90.00 Outlays .....	.....	.....	64

USDA's portfolio of multifamily housing projects provides housing for nearly half a million low-income families, many

of whom are elderly. Recent Federal court rulings allow projects that received their financing prior to 1989 to prepay and leave the program. A recent assessment of the capital and operating needs of the projects indicated that about 10 percent of the projects have economically viable prepayment potential and that about 46,000 tenants of these projects risk substantial rent increases and possible loss of their housing if these projects are prepaid. Current law allows USDA to assist these families by providing them with letters of priority and vouchers which have not been funded to date. The 2006 Budget includes \$214 million for USDA to establish a tenant protection program for this purpose. The 2006 Budget amends the current law to allow the number of vouchers issued to exceed 5,000 and to allow vouchers to be used in places other than 515 projects. Further, USDA is exploring ways to address the capital needs of those projects that stay in the program. USDA expects to develop a comprehensive approach that would include an appropriate sharing of costs with project sponsors, and tenant protection for residents who would otherwise be adversely affected in a prepayment situation in 2005.

Prior year obligated balances reflect funding for rental assistance for newly constructed units provided in limited amounts in 1984 and 1985. From 1986 through 1991 rental assistance for newly constructed units, as well as existing rental assistance contract renewals and additional servicing assistance for existing projects, had been funded under the Rural Housing Insurance Fund. Beginning in 1992, pursuant to Credit Reform, a separate grant account was established for the rental assistance program.

MUTUAL AND SELF-HELP HOUSING GRANTS

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), \$34,000,000, to remain available until expended: *Provided*, That of the total amount appropriated, \$1,000,000 shall be available through June 30, 2005, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-2006-0-1-604	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity			
35	42	34	
10.00 Total new obligations (object class 41.0)	35	42	34
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			
9	8	.....
22.00 New budget authority (gross)	34	34	34
22.10 Resources available from recoveries of prior year obligations	1	.....	.....
23.90 Total budgetary resources available for obligation	44	42	34
23.95 Total new obligations	−35	−42	−34
24.40 Unobligated balance carried forward, end of year	8	.....	.....
New budget authority (gross), detail:			
<i>Discretionary:</i>			
40.00 Appropriation	34	34	34
Change in obligated balances:			
72.40 Obligated balance, start of year			
50	52	56	
73.10 Total new obligations	35	42	34
73.20 Total outlays (gross)	−32	−38	−38
73.45 Recoveries of prior year obligations	−1	.....	.....
74.40 Obligated balance, end of year	52	56	52
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6	6	6

86.93 Outlays from discretionary balances	26	32	32
87.00 Total outlays (gross)	32	38	38
Net budget authority and outlays:			
89.00 Budget authority	34	34	34
90.00 Outlays	32	38	38

This program is authorized under section 523 of the Housing Act of 1949, as amended. Grants and contracts are made for the purpose of providing technical and supervisory assistance to groups of families to enable them to build their own homes through the mutual exchange of labor.

RURAL COMMUNITY GRANTS

Program and Financing (in millions of dollars)

Identification code 12-1956-0-1-452	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			
.....	30
22.00 New budget authority (gross)	30	−30
23.90 Total budgetary resources available for obligation	30	.....
24.40 Unobligated balance carried forward, end of year	30	.....
New budget authority (gross), detail:			
<i>Discretionary:</i>			
40.35 Appropriation permanently reduced	−10
40.36 Unobligated balance permanently reduced	−30
43.00 Appropriation (total discretionary)	−40
<i>Mandatory:</i>			
62.00 Transferred from other accounts	30	10
70.00 Total new budget authority (gross)	30	−30
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	−27
86.97 Outlays from new mandatory authority	7
86.98 Outlays from mandatory balances	20
87.00 Total outlays (gross)
Net budget authority and outlays:			
89.00 Budget authority	30	−30
90.00 Outlays

Rural firefighters and emergency personnel grants are authorized under 7 U.S.C. 2655. Grants are provided to local government and Indian tribes to pay the cost of training firefighters and emergency personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas. Not less than 60 percent of the amounts made available for training grants shall be used to provide grants to fund partial scholarships for training of individuals at training centers. The remaining funding may be made available for grants to provide financial assistance to State and regional centers that provide training for firefighters and emergency medical personnel for improvements to the training facility, equipment, curricula, and personnel. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, provides mandatory funding for this program. The Act provides \$10,000,000 for each of fiscal years 2003 through 2007, to remain available until expended, from the funds of the Commodity Credit Corporation. The 2006 Budget proposes to cancel the 2003 through 2006 funding for this program because other programs in Forest Service, Federal Emergency Management Agency, and the Bureau of Land Management provide significant funding for this purpose.

General and special funds—Continued**RURAL COMMUNITY FIRE PROTECTION GRANTS****Program and Financing** (in millions of dollars)

Identification code 12-2067-0-1-452	2004 actual	2005 est.	2006 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	—1	.....	.....
73.20 Total outlays (gross)	1	.....	.....
73.40 Adjustments in expired accounts (net)	—1	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired)	1	.....	.....
74.40 Obligated balance, end of year .....	.....	.....	.....
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	—1	.....	.....
Net budget authority and outlays:			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays	—1	.....	.....

This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2106). Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of Indian tribes or other Native American groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas.

Credit accounts:**RURAL COMMUNITY FACILITY DIRECT LOANS FINANCING ACCOUNT****Program and Financing** (in millions of dollars)

Identification code 12-4225-0-3-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loans	500	478	300
00.02 Interest on Treasury borrowing	87	110	110
00.91 Direct Program by Activities—Subtotal (1 level)	587	588	410
08.01 Negative subsidy paid to receipt account	3	.....	.....
08.02 Downward reestimate paid to receipt account	18	.....	.....
08.91 Direct Program by Activities—Subtotal (1 level)	21	.....	.....
10.00 Total new obligations	608	588	410
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	8	22	.....
22.00 New financing authority (gross)	620	566	410
22.10 Resources available from recoveries of prior year obligations	29	.....	.....
22.70 Balance of authority to borrow withdrawn	—26	.....	.....
23.90 Total budgetary resources available for obligation	631	588	410
23.95 Total new obligations	—608	—588	—410
24.40 Unobligated balance carried forward, end of year	22	.....	.....

New financing authority (gross), detail:

Discretionary:			
47.00 Authority to borrow	521	.....	.....
Mandatory:			
67.10 Authority to borrow .....	.....	398	235
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	179	167	176
68.10 Change in uncollected customer payments from Federal sources (unexpired)	—17	1	—1
68.47 Portion applied to repay debt	—63	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	99	168	175
70.00 Total new financing authority (gross)	620	566	410
Change in obligated balances:			
72.40 Obligated balance, start of year	638	898	999

73.10 Total new obligations	608	588	410
73.20 Total financing disbursements (gross)	—336	—486	—560
73.45 Recoveries of prior year obligations	—29	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	17	—1	1
74.40 Obligated balance, end of year	898	999	850
87.00 Total financing disbursements (gross)	336	486	560

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	—15	—14	—13
88.25 Interest on uninvested funds	—13	—18	—20
88.40 Repayment of principal	—151	—49	—55
88.40 Interest received on loans .....	.....	—86	—88
88.40 Non-Federal sources .....	.....	.....	.....
88.90 Total, offsetting collections (cash)	—179	—167	—176
Against gross financing authority only:			
88.95 Change in receivables from program accounts	17	—1	1

Net financing authority and financing disbursements:

89.00 Financing authority	458	398	235
90.00 Financing disbursements	158	319	384

Status of Direct Loans (in millions of dollars)

Identification code 12-4225-0-3-452	2004 actual	2005 est.	2006 est.
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Position with respect to appropriations act limitation on obligations:

1111 Limitation on direct loans .....	.....	.....	.....
1131 Direct loan obligations exempt from limitation	500	478	300
1150 Total direct loan obligations	500	478	300

Cumulative balance of direct loans outstanding:

1210 Outstanding, start of year	1,290	1,424	1,745
1231 Disbursements: Direct loan disbursements	231	375	439
1251 Repayments: Repayments and prepayments	—89	—48	—55
Write-offs for default:			
1263 Direct loans	—5	—6	—8
1264 Other adjustments, net	—3	.....	.....
1290 Outstanding, end of year	1,424	1,745	2,121

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account provides funding to non-profit organizations and local governments for the construction and improvement of community facilities providing essential services in rural areas, such as hospitals, telecommunications applications, child care centers and fire stations.

Balance Sheet (in millions of dollars)

Identification code 12-4225-0-3-452	2003 actual	2004 actual
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ASSETS:

Federal assets:			
1101 Fund balances with Treasury	5	27
Investments in US securities:			
1106 Receivables, net	—2	—2	.....
Net value of assets related to post-1991 direct loans receivable:			
1401 Direct loans receivable, gross	1,290	1,424	.....
1402 Interest receivable	17	20	.....
1404 Foreclosed property	1	2	.....
1405 Allowance for subsidy cost (—)	—108	—87	.....
1499 Net present value of assets related to direct loans	1,200	1,359	.....
1999 Total assets	1,203	1,384	.....
LIABILITIES:			
Federal liabilities:			
2101 Accounts payable	1,195	1,376	.....

2105	Other	8	8
2999	Total liabilities	1,203	1,384
4999	Total liabilities and net position	1,203	1,384

RURAL COMMUNITY FACILITY GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4228-0-3-452

2004 actual 2005 est. 2006 est.

Obligations by program activity:			
00.01	Default Claims	12	.....
00.02	Interest to Treasury	1	1
00.91	Direct Program by Activities—Subtotal (1 level)	13	1
08.01	Negative subsidy paid to receipt account	1	.....
08.02	Downward reestimate paid to receipt account	2	.....
08.91	Direct Program by Activities—Subtotal (1 level)	3	.....
10.00	Total new obligations	16	1

Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	3	4
22.00	New financing authority (gross)	17	7
23.90	Total budgetary resources available for obligation	20	11
23.95	Total new obligations	−16	−1
24.40	Unobligated balance carried forward, end of year	4	10

New financing authority (gross), detail:			
47.00	Discretionary:	.....	.....
47.00	Authority to borrow	13	3
68.00	Spending authority from offsetting collections:	.....	.....
68.00	Offsetting collections (cash)	5	2
68.10	Change in uncollected customer payments from Federal sources (unexpired) .....	.....	2
68.47	Portion applied to repay debt	−1	.....
68.90	Spending authority from offsetting collections (total discretionary)	4	4
70.00	Total new financing authority (gross)	17	7

Change in obligated balances:			
72.40	Obligated balance, start of year	1	2
73.10	Total new obligations	16	1
73.20	Total financing disbursements (gross)	−15	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired) .....	.....	−2
74.40	Obligated balance, end of year	2	1
87.00	Total financing disbursements (gross)	15	2

Offsets:			
88.00	Against gross financing authority and financing disbursements:	.....	.....
88.25	Offsetting collections (cash) from:	.....	.....
88.40	Federal sources	−3	.....
88.40	Interest on uninvested funds	−1	−1
88.40	Non-Federal sources, Guarantee Fees	−1	−1
88.40	Non-Federal sources .....	.....	−2
88.90	Total, offsetting collections (cash)	−5	−2
88.95	Against gross financing authority only:	.....	.....
88.95	Change in receivables from program accounts .....	.....	−2

Net financing authority and financing disbursements:			
89.00	Financing authority	12	3
90.00	Financing disbursements	11	−2

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4228-0-3-452

2004 actual 2005 est. 2006 est.

Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders .....	.....	.....
2131	Guaranteed loan commitments exempt from limitation	205	210

2142	Uncommitted loan guarantee limitation .....	.....	.....	.....
2150	Total guaranteed loan commitments	205	210	210
2199	Guaranteed amount of guaranteed loan commitments	164	168	168
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	373	434	434
2231	Disbursements of new guaranteed loans	135	87	192
2251	Repayments and prepayments	−62	−74	−80
2263	Adjustments: Terminations for default that result in claim payments	−12	−13	−17
2290	Outstanding, end of year	434	434	529

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	376	360	371
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As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for essential community facilities in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4228-0-3-452	2003 actual	2004 actual	
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	4	6
1106	Investments in US securities: Receivables, net	1	15
1999	Total assets	5	21
LIABILITIES:			
Federal liabilities:			
2104	Resources payable to Treasury	2	14
2105	Other liabilities, Federal	2	.....
2204	Non-Federal liabilities: Liabilities for loan guarantees	1	7
2999	Total liabilities	5	21
4999	Total liabilities and net position	5	21

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund, as follows: **[\$4,459,297,000]** **\$4,681,033,000** for loans to section 502 borrowers, as determined by the Secretary, of which **[\$1,150,000,000]** **\$1,000,000,000** shall be for direct loans, and of which **[\$3,309,297,000]** **\$3,681,033,000** shall be for unsubsidized guaranteed loans; **[\$35,000,000]** **\$35,969,000** for section 504 housing repair loans; **[\$100,000,000]** **\$27,027,000** for section 515 rental housing; **[\$100,000,000]** **\$200,000,000** for section 538 guaranteed multi-family housing loans; **[\$5,045,000]** **\$5,000,000** for section 524 site loans; **[\$11,501,000]** **\$11,500,000** for credit sales of acquired property, of which up to **[\$1,501,000]** **\$1,500,000** may be for multi-family credit sales; and **[\$10,000,000]** **\$5,048,000** for section 523 self-help housing land development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, **[\$166,778,000]** **\$154,800,000**, of which **[\$133,170,000]** **\$113,900,000** shall be for direct loans, and of which **[\$33,608,000]** **\$40,900,000**, to remain available until expended, shall be for unsubsidized guaranteed loans; section 504 housing repair loans, **[\$10,171,000]** **\$10,521,000**; repair and rehabilitation of section 515 rental housing, **[\$47,090,000]** **\$12,400,000**; section 538 multi-family housing guaranteed loans, **[\$3,490,000]** **\$10,840,000**; multi-family credit sales of acquired property, **[\$727,000]** **\$681,000**; section 523 self-help housing and development loans, **[\$52,000]**; *Provided*, That of the total amount appropriated in this paragraph, **[\$7,100,000]** **\$2,500,000** shall be available through

Credit accounts—Continued**RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT—Continued****(INCLUDING TRANSFERS OF FUNDS)—Continued**

June 30, [2005] 2006, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones: *Provided further*, That any funds under this paragraph initially allocated by the Secretary for housing projects in the State of Alaska that are not obligated by September 30, 2005, shall be carried over until September 30, 2006, and made available for such housing projects only in the State of Alaska].

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [\$448,342,000] \$465,886,000, which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses". (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

[For additional gross obligations for the principal amount of direct loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund, \$17,000,000 for section 504 housing repair loans: *Provided*, That this loan level shall be considered an estimate and not a limitation.]

[For the additional cost of direct loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974: section 504 housing repair loans, \$5,000,000, to remain available until expended: *Provided*, That such loans shall only be available for projects in communities affected by hurricanes and tropical storms in calendar year 2003 or 2004: *Provided further*, That the amounts provided under this heading are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.] (*Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005*.)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-2081-0-1-371	2004 actual	2005 est.	2006 est.
0101 Negative subsidies/subsidy reestimates	167	.....	.....

Program and Financing (in millions of dollars)

Identification code 12-2081-0-1-371	2004 actual	2005 est.	2006 est.
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Obligations by program activity:

00.01 Direct loan subsidy	185	202	137
00.02 Guaranteed loan subsidy	54	37	52
00.05 Reestimates of direct loan subsidy	68	.....	.....
00.06 Interest on reestimates of direct loan subsidy	46	.....	.....
00.07 Reestimates of loan guarantee subsidy	55	.....	.....
00.08 Interest on reestimates of loan guarantee subsidy	13	.....	.....
00.09 Administrative expenses	441	445	466
10.00 Total new obligations	862	684	655

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	14	11	.....
22.00 New budget authority (gross)	853	673	655
22.10 Resources available from recoveries of prior year obligations	2	.....	.....
22.22 Unobligated balance transferred from other accounts	4	.....	.....
23.90 Total budgetary resources available for obligation	873	684	655
23.95 Total new obligations	862	684	655
23.98 Unobligated balance expiring or withdrawn	—1	.....	.....
24.40 Unobligated balance carried forward, end of year	11	.....	.....

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	676	676	655
40.00 Appropriation, hurricane supplemental		5	.....
40.35 Appropriation permanently reduced	—4	—5	.....
40.36 Unobligated balance permanently reduced		—3	.....
41.00 Transferred to other accounts	—1	.....	.....
43.00 Appropriation (total discretionary)	671	673	655
Mandatory:			
60.00 Appropriation	182	.....	.....

70.00 Total new budget authority (gross)	853	673	655
Change in obligated balances:			
72.40 Obligated balance, start of year	209	176	182
73.10 Total new obligations	862	684	655
73.20 Total outlays (gross)	—880	—678	—690
73.40 Adjustments in expired accounts (net)	—13	.....	.....
73.45 Recoveries of prior year obligations	—2	.....	.....
74.40 Obligated balance, end of year	176	182	147
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	590	582	595
86.93 Outlays from discretionary balances	108	96	95
86.97 Outlays from new mandatory authority	182	.....	.....
87.00 Total outlays (gross)	880	678	690
Net budget authority and outlays:			
89.00 Budget authority	853	673	655
90.00 Outlays	880	678	690

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2081-0-1-371	2004 actual	2005 est.	2006 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Direct 502 single family housing	1,351	1,141	1,000
115004 Direct 515 multi-family housing	114	99	27
115006 Direct 515 multi-family housing, natural disaster	3	.....	.....
115007 Direct 504 housing repair	33	35	36
115008 Direct 504 housing repair, natural disaster	1	.....	.....
115009 Direct 504, hurricane supplemental		17	.....
115012 Direct 524 site development	3	5	5
115013 Direct 523 self-help housing	3	5	5
115014 Single family credit sales	1	10	10
115015 Multi-family credit sales		2	2
115901 Total direct loan levels	1,509	1,314	1,085
Direct loan subsidy (in percent):			
132001 Direct 502 single family housing	9.27	11.58	11.39
132002 Direct 502 supplemental	9.27	11.58	11.39
132003 Direct 502 modular housing	1.24	0.00	0.00
132004 Direct 515 multi-family housing	43.01	47.09	45.88
132005 Direct 515 No Year loans	43.01	47.09	45.88
132006 Direct 515 natural disaster	43.01	47.09	45.88
132007 Direct 504 housing repair	27.46	29.06	29.25
132008 Direct 504 natural disaster	27.46	29.06	29.25
132009 Direct 504 hurricane supplemental	27.46	29.06	29.25
132010 Direct Farm Labor Housing	42.73	47.06	44.59
132011 Direct Farm Labor Housing Supp.	42.73	47.06	44.59
132012 Direct 524 site development	—0.03	—4.94	—3.51
132013 Direct 523 self-help housing	3.08	—0.47	1.03
132014 Single family credit sales	—17.46	—16.23	—14.53
132015 Multi-family credit sales	44.20	48.44	45.40
132901 Weighted average subsidy rate	12.25	14.68	12.55
Direct loan subsidy budget authority:			
133001 Direct 502 single family housing	125	132	114
133004 Direct 515 multi-family housing	50	47	12
133006 Direct 515 natural disaster	1	.....	.....
133007 Direct 504 housing repair	9	10	10
133008 Direct 504 natural disaster .....		.....	.....
133009 Direct 504 hurricane supplemental		5	.....
133012 Direct 524 site loans .....		.....	.....
133013 Direct 523 self-help loans .....		.....	.....
133014 Single family credit sales		—2	—1
133015 Multi-family credit sales		1	1
133901 Total subsidy budget authority	185	193	136
Direct loan subsidy outlays:			
134001 Direct 502 single family housing	140	140	117
134004 Direct 515 multi-family housing	49	49	45
134005 Direct 515 no year regular loans .....		.....	.....
134006 Direct 515 natural disaster	2	2	3
134007 Direct 504 housing repair	9	8	10
134008 Direct 504 natural disaster .....		.....	.....
134009 Direct 504, hurricane supplemental		4	1
134010 Direct Farm Labor Housing	2	2	.....
134011 Direct Farm Labor Housing natural disaster	1	.....	.....
134012 Direct 524 site loans .....		.....	.....
134013 Direct 523 self-help loans .....		.....	.....
134014 Single family credit sales	2	.....	1
134015 Multi-family housing credit sales		1	1

134901 Total subsidy outlays	205	206	177
Direct loan upward reestimate subsidy budget authority:			
135001 Direct 502 single family housing	21	.....	.....
135004 Direct 515 multi-family housing	78	.....	.....
135007 Direct 504 housing loans	12	.....	.....
135010 Direct Farm Labor Housing	3	.....	.....
135901 Total upward reestimate budget authority	114	.....	.....
Direct loan downward reestimate subsidy budget authority:			
137001 Direct 502 single family housing	152	.....	.....
137004 Direct 515 multi-family housing	−1	.....	.....
137007 Direct 504 housing loans	−4	.....	.....
137010 Direct Farm Labor Housing	−2	.....	.....
137013 Direct 523 self-help housing	−1	.....	.....
137901 Total downward reestimate budget authority	−160	.....	.....
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Guaranteed 502 single family housing, purchase	3,184	3,059	3,474
215002 Guaranteed 502, refinancing	50	223	207
215003 Guarantee 538 multi-family housing	99	99	200
215901 Total loan guarantee levels	3,333	3,381	3,881
Guaranteed loan subsidy (in percent):			
232001 Guaranteed 502 single family housing, purchase	1.57	1.07	1.16
232002 Guaranteed 502, refinancing	0.29	0.27	0.29
232003 Guarantee 538 multi-family housing	5.95	3.49	5.42
232901 Weighted average subsidy rate	1.68	1.09	1.33
Guaranteed loan subsidy budget authority:			
233001 Guaranteed 502 single family housing, purchase	48	33	40
233002 Guaranteed 502, refinancing .....	.....	1	1
233003 Guarantee 538 multi-family housing	6	3	11
233901 Total subsidy budget authority	54	37	52
Guaranteed loan subsidy outlays:			
234001 Guaranteed 502 single family housing, purchase	47	24	36
234002 Guaranteed 502, refinancing .....	.....	1	1
234003 Guarantee 538 multi-family housing	5	2	8
234901 Total subsidy outlays	52	27	45
Guaranteed loan upward reestimate subsidy budget authority:			
235001 Guaranteed 502 single family housing, purchase	68	.....	.....
235901 Total upward reestimate budget authority	68	.....	.....
Guaranteed loan downward reestimate subsidy budget authority:			
237001 Guaranteed 502 single family housing, purchase	−5	.....	.....
237002 Guaranteed 502, refinancing .....	.....	.....	.....
237003 Guarantee 538 multi-family housing	−1	.....	.....
237901 Total downward reestimate subsidy budget authority	−6	.....	.....
Administrative expense data:			
351001 Budget authority	441	445	466
359001 Outlays from new authority	441	445	466

Rural housing insurance fund—This fund was established in 1965 (Public Law 89-117) pursuant to section 517 of title V of the Housing Act of 1949, as amended.

The programs funded through the Rural Housing Insurance Fund Program account are: section 502 very low and low to moderate income homeownership loans and guarantees; section 504 very low-income housing repair loans; section 515 rural rental housing loans; section 524 housing site loans, single family and multi-family housing credit sales of acquired property, and section 538 multi-family housing guarantees. The section 523 self-help housing land development loan program was included under this heading beginning in 1997. Previously, this loan program was accounted for under the separate heading of "Self-Help Housing Land Development Fund Program Account." Starting in 2001, section 514 domestic farm labor housing loans and grants are funded under the new Farm Labor Program Account in order to provide flexibility between loans and the farm labor housing grants.

Loan programs are limited to rural areas that include towns, villages, and other places which are not part of an urban area and that have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of

10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

For 2006, funds for section 515 rural rental housing loans will be limited to repair and rehabilitation only and \$27 million is included for this purpose. In conjunction with this, RHS will begin to revitalize the existing 515 portfolio by implementing a voucher program to assist tenants that have been displaced due to property owners prepaying their loans. Additional authorizations are anticipated to assist in revitalizing the portfolio. The relevant legislative proposals will be developed and submitted during 2005.

For 502 guaranteed single family housing loans in 2006, the Budget reflects an increase in the guarantee fee on new loans to 2.0 percent, consistent with the 2005 Appropriations Act. The ability to finance the guarantee fee is more in line with the housing industry, including HUD and VA, and will allow more lower income rural Americans to continue to afford these loans. In 2002, RHS approved separate risk categories for the guarantee refinancing (refis) and guarantees of new loans. As part of that change, RHS also reduced the guarantee fee to 0.5 percent for the refis. This change reflected the lower risk on refis as compared to an unseasoned borrower receiving a new loan. It is also consistent with the rate HUD and VA charge on their refis of similar loans.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including credit sales of acquired property), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-2081-0-1-371	2004 actual	2005 est.	2006 est.
25.3 Other purchases of goods and services from Government accounts	441	445	466
41.0 Grants, subsidies, and contributions	421	239	189
99.9 Total new obligations	862	684	655

RURAL HOUSING INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4215-0-3-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loans including upward adjustments of prior year obligations	1,545	1,377	1,127
00.02 Advances on behalf of borrowers	40	.....	.....
00.04 Interest on Treasury borrowing	703	711	748
00.06 Other expenses	22	14	14
00.91 Subtotal, Operating program	2,310	2,102	1,889
08.02 Downward subsidy reestimates paid to receipt account	132	.....	.....
08.04 Interest on downward reestimates paid to receipt account	27	.....	.....
08.91 Subtotal, Reestimates	159	.....	.....
10.00 Total new obligations	2,469	2,102	1,889

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	619	607	.....
22.00 New financing authority (gross)	2,434	2,142	1,990
22.10 Resources available from recoveries of prior year obligations	91	.....	.....
22.60 Portion applied to repay debt .....	.....	−647	−101
22.70 Balance of authority to borrow withdrawn	−67	.....	.....

Credit accounts—Continued

RURAL HOUSING INSURANCE FUND DIRECT LOAN FINANCING
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4215-0-3-371		2004 actual	2005 est.	2006 est.
23.90	Total budgetary resources available for obligation	3,077	2,102	1,889
23.95	Total new obligations	—2,469	—2,102	—1,889

24.40	Unobligated balance carried forward, end of year	607
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New financing authority (gross), detail:

47.00	Authority to borrow	1,550
67.10	Authority to borrow	1,211	1,216
68.00	Spending authority from offsetting collections:	.....	.....	.....
68.00	Discretionary:	.....	.....	.....
68.00	Offsetting collections (cash)	1,999	1,960	1,803
68.10	Change in uncollected customer payments from Federal sources (unexpired)	—31	—30	—30
68.47	Portion applied to repay debt	—1,084	—999	—999
68.90	Spending authority from offsetting collections (total discretionary)	884	931	774
70.00	Total new financing authority (gross)	2,434	2,142	1,990

Change in obligated balances:

72.40	Unpaid obligations, fund balance with Treasury, start of year	560	703	647
73.10	Total new obligations	2,469	2,102	1,889
73.20	Total financing disbursements (gross)	—2,266	—2,188	—1,877
73.45	Recoveries of prior year obligations	—91	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	31	30	30
74.40	Obligated balance, end of year	703	647	689
87.00	Total financing disbursements (gross)	2,266	2,188	1,877

Offsets:

88.00	Against gross financing authority and financing disbursements:	.....	.....	.....
88.00	Offsetting collections (cash) from:	.....	.....	.....
88.00	Federal sources: payments from program account	—329	—213	—186
88.00	Federal sources	2	.....	.....
88.25	Interest on uninvested funds	—99	—88	—85
88.40	Non-Federal sources: Repayments of principal	—1,026	—948	—844
88.40	Interest received on loans	—537	—561	—544
88.40	Payments on judgments	.....	—15	—14
88.40	Proceeds on sale of acquired property	.....	—35	—33
88.40	Recaptured income	.....	—85	—83
88.40	Fees	—9	—7	—7
88.40	Miscellaneous collections	—1	—8	—7
88.90	Total, offsetting collections (cash)	—1,999	—1,960	—1,803

88.95	Against gross financing authority only:	.....	.....	.....
88.95	Change in receivables from program accounts	31	30	30

89.00	Net financing authority	466	212	217
90.00	Financing disbursements	267	228	74

Status of Direct Loans (in millions of dollars)

Identification code 12-4215-0-3-371		2004 actual	2005 est.	2006 est.
1111	Position with respect to appropriations act limitation on obligations:	.....	.....	.....
1111	Limitation on direct loans	.....	.....	.....
1131	Direct loan obligations exempt from limitation	1,545	1,377	1,127
1150	Total direct loan obligations	1,545	1,377	1,127
1210	Cumulative balance of direct loans outstanding:	.....	.....	.....
1231	Outstanding, start of year	12,144	12,451	12,792
1231	Disbursements: Direct loan disbursements	1,393	1,369	1,029
1251	Repayments: Repayments and prepayments	—1,009	—948	—988
1261	Adjustments: Capitalized interest	13	25	25
1263	Write-offs for default:	.....	.....	.....
1263	Direct loans	—67	—81	—83
1264	Other adjustments, net	—23	—24	—25

1290	Outstanding, end of year	12,451	12,792	12,750
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As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond including credit sales of acquired property. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances direct rural housing loans for section 502 very low- and low-to-moderate-income home ownership loan program; section 504 very low income housing repair loan program; section 514 domestic farm labor housing loan program; section 515 rural rental housing loan program; sections 523 self-help housing loans, and 524 site development loans; and single family and multi-family housing credit sales of acquired property.

Loan programs are limited to rural areas that include towns, villages and other places which are not part of an urban area and that have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low and moderate-income borrowers.

Balance Sheet (in millions of dollars)

Identification code 12-4215-0-3-371		2003 actual	2004 actual
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	256	235
1106	Investments in US securities:	54	14
Receivables, net			
Net value of assets related to post-1991 direct loans receivable:			
1401	Direct loans receivable, gross	12,144	12,451
1402	Interest receivable	53	69
1404	Foreclosed property	30	23
1405	Allowance for subsidy cost (—)	—1,872	—1,979
1499	Net present value of assets related to direct loans	10,355	10,564
1999	Total assets	10,665	10,813
LIABILITIES:			
Federal liabilities:			
2103	Debt	10,300	10,547
2105	Other	359	267
2207	Non-Federal liabilities: Other	6	—1
2999	Total liabilities	10,665	10,813
4999	Total liabilities and net position	10,665	10,813

RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4216-0-3-371		2004 actual	2005 est.	2006 est.
Obligations by program activity:				
00.01 Default claims				
00.02	Interest assistance paid to lenders	122	134	146
00.91	Direct Program by Activities—Subtotal (1 level)	122	135	147
08.02	Payments of downward estimates to receipt account	5	.....	.....
08.04	Payment of interest on downward reestimate to receipt account	2	.....	.....
08.91	Direct Program by Activities—Subtotal (1 level)	7	.....	.....
10.00	Total new obligations	129	135	147
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	361	433	396
22.00	New financing authority (gross)	201	98	117
23.90	Total budgetary resources available for obligation	562	531	513

23.95	Total new obligations	—129	—135	—147
24.40	Unobligated balance carried forward, end of year	433	396	366

New financing authority (gross), detail:

47.00	Discretionary:			
47.00	Authority to borrow	7	8	8
68.00	Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	194	91	110
68.10	Change in uncollected customer payments from Federal sources (unexpired)		—1	—1
68.90	Spending authority from offsetting collections (total discretionary)	194	90	109
70.00	Total new financing authority (gross)	201	98	117

Change in obligated balances:

73.10	Total new obligations	129	135	147
73.20	Total financing disbursements (gross)	—129	—136	—148
74.00	Change in uncollected customer payments from Federal sources (unexpired)		1	1
87.00	Total financing disbursements (gross)	129	136	148

Offsets:

88.00	Against gross financing authority and financing disbursements:			
88.00	Offsetting collections (cash) from:			
88.25	Federal sources	—120	—27	—46
88.40	Interest on uninvested funds	—19	—18	—18
88.40	Non-Federal sources: guarantee fees	—55	—46	—46
88.40	Loss recoveries and other fees			
88.90	Total, offsetting collections (cash)	—194	—91	—110
88.95	Against gross financing authority only:			
88.95	Change in receivables from program accounts		1	1

Net financing authority and financing disbursements:

89.00	Financing authority	7	8	8
90.00	Financing disbursements	—66	45	38

Status of Guaranteed Loans (in millions of dollars)

	Identification code 12-4216-0-3-371	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders			
2131	Guaranteed loan commitments exempt from limitation	3,333	3,381	3,881
2150	Total guaranteed loan commitments	3,333	3,381	3,881
2199	Guaranteed amount of guaranteed loan commitments	3,000	3,043	3,493
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	13,420	13,856	14,020
2231	Disbursements of new guaranteed loans	3,420	2,837	2,824
2251	Repayments and prepayments	—2,862	—2,539	—2,644
2263	Adjustments:			
2263	Terminations for default that result in claim payments	—122	—134	—146
2264	Other adjustments, net			
2290	Outstanding, end of year	13,856	14,020	14,054
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	12,470	12,618	12,649

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loan commitments made in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances the nonsubsidized guaranteed section 502 low-to-moderate-income home ownership loan program and section 538 multi-family housing loan program. The guaranteed programs enable RHS to utilize private sector resources for the making and servicing of loans while the Agency provides a financial guarantee to encourage private sector activity.

Balance Sheet (in millions of dollars)

	Identification code 12-4216-0-3-371	2003 actual	2004 actual
ASSETS:			
1101	Federal assets:		
1101	Fund balances with Treasury	361	427
1106	Investments in US securities:		
1106	Receivables, net	43	34
1999	Total assets	404	461
LIABILITIES:			
2204	Non-Federal liabilities:		
2204	Liabilities for loan guarantees	399	440
2207	Other	5	21
2999	Total liabilities	404	461
4999	Total liabilities and net position	404	461

RURAL HOUSING INSURANCE FUND LIQUIDATING ACCOUNT**Program and Financing (in millions of dollars)**

	Identification code 12-4141-0-3-371	2004 actual	2005 est.	2006 est.
Obligations by program activity:				
00.02	Capital investment:			
00.02	Advances on behalf of borrowers	53	50	46
00.05	Collateral acquired by default	1	1	1
00.91	Total capital investment	54	51	47
01.03	Interest on FFB borrowings	153	120	19
01.04	Premiums paid FFB at redemption of certificates of beneficial ownership	74	.....	.....
01.06	Interest credits on loans sold to investors	1	1	.....
01.07	Other costs incident to loans	3	3	3
01.91	Total operating expenses	231	124	22
10.00	Total new obligations	285	175	69

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	204	150	.....
22.00	New budget authority (gross)	427	175	69
22.10	Resources available from recoveries of prior year obligations		8	.....
22.40	Capital transfer to general fund	—204	—150	.....
23.90	Total budgetary resources available for obligation	435	175	69
23.95	Total new obligations	—285	—175	—69
24.40	Unobligated balance carried forward, end of year	150	.....	.....

New budget authority (gross), detail:

69.00	Mandatory:			
69.00	Offsetting collections (cash)	1,577	1,441	1,316
69.27	Capital transfer to general fund		—586	—1,247
69.47	Portion applied to repay debt	—1,150	—680	.....
69.90	Spending authority from offsetting collections (total mandatory)	427	175	69

Change in obligated balances:

72.40	Unpaid fund balance with treasury, end of year	150	90	163
73.10	Total new obligations	285	175	69
73.20	Total outlays (gross)	—338	—102	—138
73.45	Recoveries of prior year obligations	—8	.....	.....
74.40	Obligated balance, end of year	90	163	94

Outlays (gross), detail:

86.97	Outlays from new mandatory authority	232	25	69
86.98	Outlays from mandatory balances	106	77	69
87.00	Total outlays (gross)	338	102	138

Offsets:

88.00	Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from:			
88.40	Federal sources	—3	.....	.....
88.40	Repayments of loans and advances	—864	—776	—713
88.40	Proceeds from sale of acquired property	—24	—14	—14
88.40	Payments on judgments	—14	—11	—9
88.40	Interest payments from borrowers	—533	—463	—405

Credit accounts—Continued**RURAL HOUSING INSURANCE FUND LIQUIDATING ACCOUNT—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 12-4141-0-3-371		2004 actual	2005 est.	2006 est.
88.40	Recapture of subsidies	—114	—157	—157
88.40	Income from residual investment in loan asset sale	—22	—20	—18
88.40	Fees and other revenue	—3	.....	.....
88.90	Total, offsetting collections (cash)	—1,577	—1,441	—1,316
Net budget authority and outlays:				
89.00	Budget authority	—1,150	—1,266	—1,247
90.00	Outlays	—1,240	—1,339	—1,178

Status of Direct Loans (in millions of dollars)

Identification code 12-4141-0-3-371		2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	13,885	12,949	12,131
1251	Repayments: Repayments and prepayments	—864	—776	—713
1261	Adjustments: Capitalized interest	13	12	11
Write-offs for default:				
1263	Direct loans	—54	—45	—38
1264	Other adjustments, net	—31	—9	—8
1290	Outstanding, end of year	12,949	12,131	11,383

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4141-0-3-371		2004 actual	2005 est.	2006 est.
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	12	9	7
2251	Repayments and prepayments	—3	—2	—1
2290	Outstanding, end of year	9	7	6
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	8	6	6

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. New loan activity in 1992 and beyond is recorded in corresponding program and financing accounts.

Balance Sheet (in millions of dollars)

Identification code 12-4141-0-3-371		2003 actual	2004 actual
ASSETS:			
1101	Federal assets: Fund balances with Treasury	353	240
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:			
1601	Direct loans, gross	13,885	12,949
1602	Interest receivable	654	122
1603	Allowance for estimated uncollectible loans and interest (—)	—6,297	—5,558
1604	Direct loans and interest receivable, net	8,242	7,513
1606	Foreclosed property	31	17
1699	Value of assets related to direct loans	8,273	7,530
1901	Other Federal assets: Other assets	79	85
1999	Total assets	8,705	7,855
LIABILITIES:			
Federal liabilities:			
2102	Interest payable	116	36
2103	Debt	1,830	680
2104	Resources payable to Treasury	6,692	7,055
Non-Federal liabilities:			
2203	Debt	1	1
2204	Liabilities for loan guarantees .....	.....	81

2207	Other	66	2
2999	Total liabilities	8,705	7,855
4999	Total liabilities and net position	8,705	7,855

Object Classification (in millions of dollars)

Identification code 12-4141-0-3-371		2004 actual	2005 est.	2006 est.
25.2	Other services	2	2	2
33.0	Investments and loans	55	52	20
41.0	Grants, subsidies, and contributions	1	1	1
43.0	Interest and dividends	227	120	46
99.9	Total new obligations	285	175	69

RURAL BUSINESS-COOPERATIVE SERVICE**Federal Funds****General and special funds:****RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITY GRANTS**

For grants in connection with second and third rounds of empowerment zones and enterprise communities, \$12,500,000, to remain available until expended, for designated rural empowerment zones and rural enterprise communities, as authorized by the Taxpayer Relief Act of 1997 and the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105-277): *Provided*, That of the funds appropriated, \$1,000,000 shall be made available to third round empowerment zones, as authorized by the Community Renewal Tax Relief Act (Public Law 106-554).] (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-0402-0-1-452		2004 actual	2005 est.	2006 est.
00.01	Direct Program Activity	12	16	.....
10.00	Total new obligations (object class 41.0)	12	16	.....

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	3	4	.....
22.00	New budget authority (gross)	13	12	.....
23.90	Total budgetary resources available for obligation	16	16	.....
23.95	Total new obligations	—12	—16	.....
24.40	Unobligated balance carried forward, end of year	4

New budget authority (gross), detail:

40.00	Appropriation	13	12
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Change in obligated balances:

72.40	Obligated balance, start of year	28	26	27
73.10	Total new obligations	12	16	.....
73.20	Total outlays (gross)	—14	—15	—16

74.40	Obligated balance, end of year	26	27	11
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Outlays (gross), detail:

86.90	Outlays from new discretionary authority	8	2
86.93	Outlays from discretionary balances	6	13	16
87.00	Total outlays (gross)	14	15	16

Net budget authority and outlays:

89.00	Budget authority	13	12	.....
90.00	Outlays	14	15	16

The goal of the Empowerment Zone/Enterprise Community (EZ/EC) initiative is to revitalize rural communities in a manner that attracts private sector investment and thereby provides self-sustaining community and economic development. Appropriated funding in 1999 through 2002 was provided for

EZ/ECs designated as part of the second round of this initiative.

No funding is provided in 2006 for EZ/EC grants. For grants like these that are for community organizations to stimulate economic development, the 2006 Budget proposes to consolidate them into a new economic and community development program to be administered by the Department of Commerce. The new program would be designed to achieve greater results and focus on communities most in need of assistance.

RURAL COOPERATIVE DEVELOPMENT GRANTS

For rural cooperative development grants authorized under section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932), [~~\$24,000,000~~] \$21,000,000, of which [~~\$2,500,000~~] \$500,000 shall be for cooperative research agreements [for the appropriate technology transfer for rural areas program: *Provided*, That not to exceed \$1,500,000 shall be for cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, minority producers and whose governing board and/or membership is comprised of at least 75 percent minority]; and of which [~~not to exceed~~] \$15,500,000, to remain available until expended, shall be for value-added agricultural product market development grants, as authorized by section 6401 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1621 note). (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-1900-0-1-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Rural Cooperative Development Grants	6	6	6
00.10 Value-added Agricultural Product Marketing (mandatory)	30	.....	.....
00.11 Value added Agricultural Product Marketing (discretionary)	1	30	15
00.12 Appropriate Technology Transfer for Rural Areas	2	2	.....
10.00 Total new obligations (object class 41.0)	39	38	21
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	29	14	80
22.00 New budget authority (gross)	24	104	—59
22.10 Resources available from recoveries of prior year obligations	1	.....	.....
23.90 Total budgetary resources available for obligation	54	118	21
23.95 Total new obligations	—39	—38	—21
24.40 Unobligated balance carried forward, end of year	14	80	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	24	24	21
40.35 Appropriation permanently reduced .....	.....	.....	—40
40.36 Unobligated balance permanently reduced .....	.....	.....	—80
43.00 Appropriation (total discretionary)	24	24	—99
Mandatory:			
62.00 Transferred from other accounts .....	.....	80	40
70.00 Total new budget authority (gross)	24	104	—59
Change in obligated balances:			
72.40 Obligated balance, start of year	54	57	40
73.10 Total new obligations	39	38	21
73.20 Total outlays (gross)	—35	—55	—29
73.45 Recoveries of prior year obligations	—1	.....	.....
74.40 Obligated balance, end of year	57	40	32
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	2	.....
86.93 Outlays from discretionary balances	10	11	29
86.98 Outlays from mandatory balances	23	42	.....
87.00 Total outlays (gross)	35	55	29

Net budget authority and outlays:			
89.00 Budget authority	24	104	—59
90.00 Outlays	35	55	29

Grants for rural cooperative development were authorized under section 310B(e) of the Consolidated Farm and Rural Development Act by Public Law 104-127, April 4, 1996. These grants are made available to nonprofit corporations and institutions of higher education to fund the establishment and operation of centers for rural cooperative development. The primary purpose of the centers is the improvement of economic conditions of rural areas through the development of new cooperatives and improving operations of existing cooperatives. RBS can fund up to 75 percent of any project and associated administrative costs and requires at least a 25 percent matching share from the applicant which must be from non-Federal sources.

The Appropriate Technology Transfer to Rural Areas (ATTRA) program was first authorized by the Food Security Act of 1985. The program provides information and technical assistance to agricultural producers to adopt sustainable agricultural practices that are environmentally friendly and lower production costs. The 2006 Budget provides no funding for this purpose.

Funds are requested for cooperative research agreements to help the Rural Development mission area maintain a predictable level of research on agricultural and non-agricultural cooperative issues.

Additionally, USDA provides value added marketing grants for cooperatives. These were first funded in the Agriculture Risk Protection Act of 2000. The 2002 Farm Bill provided \$40 million for this purpose each year from 2002 through 2007. The 2006 Budget cancels these funds for a savings of \$120 million. However, \$15.5 million in discretionary 2006 funds is provided for this purpose.

RURAL ECONOMIC DEVELOPMENT GRANTS

Identification code 12-3105-0-1-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	11	10	10
10.00 Total new obligations (object class 41.0)	11	10	10
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	51	110	167
22.00 New budget authority (gross)	69	67	67
22.10 Resources available from recoveries of prior year obligations	1	.....	.....
23.90 Total budgetary resources available for obligation	121	177	234
23.95 Total new obligations	—11	—10	—10
24.40 Unobligated balance carried forward, end of year	110	167	224
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	33	67	67
69.10 Change in uncollected customer payments from Federal sources (unexpired)	36	.....	.....
69.90 Spending authority from offsetting collections (total mandatory)	69	67	67
Change in obligated balances:			
72.40 Obligated balance, start of year	—30	—58	—123
73.10 Total new obligations	11	10	10
73.20 Total outlays (gross)	—2	—75	—76
73.45 Recoveries of prior year obligations	—1	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	—36	.....	.....
74.40 Obligated balance, end of year	—58	—123	—189

General and special funds—Continued

RURAL ECONOMIC DEVELOPMENT GRANTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-3105-0-1-452	2004 actual	2005 est.	2006 est.
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	67	67	
86.98 Outlays from mandatory balances	2	8	9
87.00 Total outlays (gross)	2	75	76
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-33	-67	-67
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-36	.....	.....
Net budget authority and outlays:			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays	-31	8	9

This grant program is authorized under section 313 of the Rural Electrification Act, as amended, and provides funds for the purpose of promoting rural economic development and job creation projects, including funding for project feasibility studies, start-up costs, incubator projects and other expenses for the purpose of fostering rural development.

Funding for this program is provided from the interest differential on Rural Utilities Service borrowers' cushion of credit accounts.

NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER

Program and Financing (in millions of dollars)

Identification code 12-1906-0-1-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct program activity	1	1	1
10.00 Total new obligations (object class 41.0)	1	1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5	5	5
22.00 New budget authority (gross) .....	.....	1	.....
23.90 Total budgetary resources available for obligation	5	6	5
23.95 Total new obligations	-1	-1	-1
24.40 Unobligated balance carried forward, end of year	5	5	4
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation .....	.....	1	.....
Change in obligated balances:			
73.10 Total new obligations	1	1	1
73.20 Total outlays (gross)	-1	-1	-1
Outlays (gross), detail:			
86.98 Outlays from mandatory balances	1	1	1
Net budget authority and outlays:			
89.00 Budget authority .....	.....	1	.....
90.00 Outlays	1	1	1

The Federal Agriculture Improvement Act of 1996 established the National Sheep Industry Improvement Center to promote activities to strengthen and enhance production or marketing of sheep and goat products in the United States. The Center may provide loans or grants to eligible entities to provide assistance to the industry for infrastructure development, business development, production, resource develop-

ment, and market and environmental research. The 1996 Act provided \$20 million in mandatory funding for the establishment and operation of the Center and authorized additional discretionary funding of \$30 million. In 2000, \$10 million was granted to an intermediary to provide assistance to the sheep and lamb industry. Additional funds have been added to the original authorized amount so that the total available for this purpose is now \$28 million. No additional funds are requested in 2006.

RURAL STRATEGIC INVESTMENT PROGRAM GRANTS

Program and Financing (in millions of dollars)

Identification code 12-1955-0-1-452	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	100
22.00 New budget authority (gross)	100	-100
23.90 Total budgetary resources available for obligation	100	.....
24.40 Unobligated balance carried forward, end of year	100	.....
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced	-100
Mandatory:			
62.00 Transferred from other accounts	100	.....
70.00 Total new budget authority (gross)	100	-100
Change in obligated balances:			
72.40 Obligated balance, start of year
73.20 Total outlays (gross)
74.40 Obligated balance, end of year
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	-41
86.98 Outlays from mandatory balances	41
87.00 Total outlays (gross)
Net budget authority and outlays:			
89.00 Budget authority	100	-100
90.00 Outlays

The Rural Strategic Investment Program is authorized under 7 U.S.C. 2009dd. The Rural Strategic Investment Program will provide rural communities with flexible resources to develop comprehensive, collaborative, and locally-based strategic planning processes; and will implement innovative community and economic development strategies that optimize regional competitive advantages. The program was authorized and funded in section 6030 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171. The Act provides that if the Secretary approves a national strategic investment plan submitted by the National Board, the Secretary shall transfer \$100,000,000 for planning grants and innovation grants to Regional Boards from the Commodity Credit Corporation, to remain available until expended. However, in 2004 these funds were blocked from being spent. In 2006, the Budget cancels these funds because there is little likelihood that the funds will ever be obligated and the program purpose is redundant with the mission of Rural Development.

Credit accounts:**RURAL BUSINESS AND INDUSTRY DIRECT LOANS FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

Identification code 12-4223-0-3-452		2004 actual	2005 est.	2006 est.
Obligations by program activity:				
00.02 Interest on Treasury borrowings		4	6	6
Budgetary resources available for obligation:				
21.40 Unobligated balance carried forward, start of year		4	47	.....
22.00 New financing authority (gross)		59	-21	26
22.60 Portion applied to repay debt		-12	-20	-20
23.90 Total budgetary resources available for obligation		51	6	6
23.95 Total new obligations		-4	-6	-6
24.40 Unobligated balance carried forward, end of year		47	.....	.....
New financing authority (gross), detail:				
Mandatory:				
67.10 Authority to borrow .....		.....	-30	18
Discretionary:				
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		59	9	8
70.00 Total new financing authority (gross)		59	-21	26
Change in obligated balances:				
72.40 Obligated balance, start of year		6	5	11
73.10 Total new obligations		4	6	6
73.20 Total financing disbursements (gross)		-4	.....	.....
74.40 Obligated balance, end of year		5	11	17
87.00 Total financing disbursements (gross)		4	.....	.....
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00 Federal sources		-45	.....	.....
88.25 Interest on uninvested funds		-2	-1	.....
88.40 Repayments of principal		-8	-8	-8
88.40 Interest received on loans		-4	.....	.....
88.90 Total, offsetting collections (cash)		-59	-9	-8
Net financing authority and financing disbursements:				
89.00 Financing authority .....		.....	-30	18
90.00 Financing disbursements		-55	-9	-8

Status of Direct Loans (in millions of dollars)

Identification code 12-4223-0-3-452		2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:				
1210 Outstanding, start of year		105	89	76
1231 Disbursements: Direct loan disbursements .....		.....	.....	.....
1251 Repayments: Repayments and prepayments		-8	-8	-8
1263 Write-offs for default: Direct loans		-8	-5	-6
1290 Outstanding, end of year		89	76	62

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. The subsidy cost of these programs is funded through the Rural Community Advancement Program. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

Direct business and industry loans are made to public, private, or cooperative organizations, Indian tribes or tribal groups, corporate entities, or individuals for the purpose of improving the economic climate in rural areas. Funding for this purpose was discontinued beginning in 2002.

Balance Sheet (in millions of dollars)

Identification code 12-4223-0-3-452		2003 actual	2004 actual
ASSETS:			
Federal assets:			
1101 Fund balances with Treasury		1	44
Investments in US securities:			
1106 Receivables, net		1	.....
Net value of assets related to post-1991 direct loans receivable:			
1401 Direct loans receivable, gross		105	89
1402 Interest receivable .....		.....	7
1405 Allowance for subsidy cost (-)		-39	-78
Net present value of assets related to direct loans			
1499		66	18
Total assets			
1999		68	62
LIABILITIES:			
2104 Federal liabilities: Resources payable to Treasury		68	62
2999 Total liabilities		68	62
4999 Total liabilities and net position		68	62

RURAL BUSINESS AND INDUSTRY GUARANTEED LOANS FINANCING ACCOUNT**Program and Financing (in millions of dollars)**

Identification code 12-4227-0-3-452		2004 actual	2005 est.	2006 est.
Obligations by program activity:				
00.01 Default claims				
00.02 Purchase from Secondary Market		61	67	74
00.03 Interest to Treasury		58	64	70
00.91 Direct Program by Activities—Subtotal (1 level)		7	6	6
08.02 Subsidy reestimates paid to receipt account		126	137	150
10.00 Total new obligations		18	.....	.....
144	137	150		

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	184	255	209
22.00 New financing authority (gross)	216	91	103
22.60 Portion applied to repay debt	-2	.....	.....
23.90 Total budgetary resources available for obligation	398	346	312
23.95 Total new obligations	-144	-137	-150
24.40 Unobligated balance carried forward, end of year	255	209	162

New financing authority (gross), detail:

Discretionary:		.....	.....	.....
67.10 Authority to borrow		85	24	10
Offsetting collections (cash)				
68.00 Offsetting collections (cash)		134	67	93
68.10 Change in uncollected customer payments from Federal sources (unexpired)		-3	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)		131	67	93
70.00 Total new financing authority (gross)		216	91	103

Change in obligated balances:

72.40 Obligated balance, start of year	-3	.....	.....
73.10 Total new obligations	144	137	150
73.20 Total financing disbursements (gross)	-144	-137	-150
74.40 Change in uncollected customer payments from Federal sources (unexpired)	3	.....	.....
74.40 Obligated balance, end of year .....	.....	.....	.....
87.00 Total financing disbursements (gross)	144	137	150

Offsets:

Against gross financing authority and financing disbursements:		.....	.....	.....
Offsetting collections (cash) from:				
88.00 Federal sources		-84	-13	-29
88.25 Interest on uninvested funds		-11	-10	-12
88.40 Interest and principal on purchased loans from secondary market		-25	-29	-35
88.40 Guarantee fees		-14	-15	-17

Credit accounts—Continued

RURAL BUSINESS AND INDUSTRY GUARANTEED LOANS FINANCING
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4227-0-3-452	2004 actual	2005 est.	2006 est.
88.90 Total, offsetting collections (cash)	−134	−67	−93
Against gross financing authority only:			
88.95 Change in receivables from program accounts	3	.....	.....
Net financing authority and financing disbursements:			
89.00 Financing authority	85	24	10
90.00 Financing disbursements	10	70	57

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4227-0-3-452	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	.....	.....	.....
2131 Guaranteed loan commitments exempt from limitation	971	619	899
2150 Total guaranteed loan commitments	971	619	899
2199 Guaranteed amount of guaranteed loan commitments	777	491	719
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4,032	4,194	3,843
2231 Disbursements of new guaranteed loans	924	244	360
2251 Repayments and prepayments	−655	−461	−423
2263 Adjustments: Terminations for default that result in claim payments	−107	−134	−157
2290 Outstanding, end of year	4,194	3,843	3,623
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	3,225	3,075	2,898

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. The subsidy cost of this program is funded through the Rural Community Advancement Program. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for industrial development in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4227-0-3-452	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	181	255
Investments in US securities:		
1106 Receivables, net	203	204
1999 Total assets	384	459
LIABILITIES:		
Federal liabilities:		
2104 Resources payable to Treasury	41	124
2105 Other	18	1
2204 Non-Federal liabilities: Liabilities for loan guarantees	325	334
2999 Total liabilities	384	459
4999 Total liabilities and net position	384	459

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

For the principal amount of direct loans, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)), [**\$34,213,000**] \$34,212,000.

For the cost of direct loans, [**\$15,868,000**] \$14,718,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a))], of which \$1,724,000 shall be available through June 30, 2005, for Federally Recognized Native American Tribes and of which \$3,449,000 shall be available through June 30, 2005, for Mississippi Delta Region counties (as determined in accordance with Public Law 100-460): *Provided*, [That of such amount made available, the Secretary may provide up to \$1,500,000 for the Delta Regional Authority (7 U.S.C. 1921 et seq.): *Provided further*,] That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That of the total amount appropriated, [**\$2,447,000**] \$887,000 shall be available through June 30, [2005] 2006, for the cost of direct loans for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

In addition, for administrative expenses to carry out the direct loan programs, [**\$4,316,000**] \$6,656,000 shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses". (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-2069-0-1-452	2004 actual	2005 est.	2006 est.
0101 Negative subsidies/subsidy reestimates	4	.....	.....

Program and Financing (in millions of dollars)

Identification code 12-2069-0-1-452	2004 actual	2005 est.	2006 est.
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Obligations by program activity:

00.01 Direct loan subsidy	17	16	15
00.09 Administrative expense	4	4	7

10.00 Total new obligations	21	20	22
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Budgetary resources available for obligation:

22.00 New budget authority (gross)	21	20	22
23.95 Total new obligations	−21	−20	−22

New budget authority (gross), detail:

40.00 Appropriation	21	20	22
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Change in obligated balances:

72.40 Obligated balance, start of year	49	51	50
73.10 Total new obligations	21	20	22
73.20 Total outlays (gross)	−17	−21	−24
73.40 Adjustments in expired accounts (net)	−2

74.40 Obligated balance, end of year	51	50	48
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Outlays (gross), detail:

86.90 Outlays from new discretionary authority	5	5	8
86.93 Outlays from discretionary balances	12	16	16

87.00 Total outlays (gross)	17	21	24
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Net budget authority and outlays:

89.00 Budget authority	21	20	22
90.00 Outlays	17	21	24

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2069-0-1-452	2004 actual	2005 est.	2006 est.
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Direct loan levels supportable by subsidy budget authority:

115001 Rural development loan fund program	40	34	34
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115901 Total direct loan levels	40	34	34
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Direct loan subsidy (in percent):

132001 Rural development loan fund program	43.27	46.38	43.02
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132901 Weighted average subsidy rate	43.27	46.38	43.02
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133001 Direct loan subsidy budget authority	17	16	15
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133901 Total subsidy budget authority	17	16	15
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Direct loan subsidy outlays:			
134001 Rural development loan fund program	13	17	17
134901 Total subsidy outlays	13	17	17
Direct loan downward reestimate subsidy budget authority:			
137001 Rural development loan fund program	-4		
137901 Total downward reestimate budget authority	-4		
Administrative expense data:			
351001 Budget authority	4	4	7
359001 Outlays from new authority	4	4	7

This account finances loans to intermediary borrowers, who, in turn, re-lend the funds to small rural businesses, community development corporations, and other organizations for the purpose of improving economic opportunities in rural areas. Through the use of local intermediaries, this program serves small-scale enterprises and gives preference to those communities with the greatest need. In 2006 the Budget provides \$34 million in loans for this purpose.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond, as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-2069-0-1-452	2004 actual	2005 est.	2006 est.
25.3 Other purchases of goods and services from Government accounts	4	4	7
41.0 Grants, subsidies, and contributions	17	16	15
99.9 Total new obligations	21	20	22

RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4219-0-3-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
Operating program:			
00.01 Direct loans	40	34	34
00.03 Interest on Treasury borrowing	14	16	16
00.91 Direct Program by Activities—Subtotal	54	50	50
08.02 Downward subsidy reestimate paid to receipt account	3		
08.04 Interest on Downward Subsidy Reestimate	1		
08.91 Direct Program by Activities—Subtotal	4		
10.00 Total new obligations	58	50	50

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	1		
22.00 New financing authority (gross)	60	66	66
22.10 Resources available from recoveries of prior year obligations	4		
22.60 Portion applied to repay debt	-3	-17	-16
22.70 Balance of authority to borrow withdrawn	-2		
23.90 Total budgetary resources available for obligation	59	50	50
23.95 Total new obligations	-58	-50	-50
24.40 Unobligated balance carried forward, end of year	1		

New financing authority (gross), detail:

47.00 Authority to borrow	27	24	24
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	33	42	42
68.10 Change in uncollected customer payments from Federal sources (unexpired)	2		
68.47 Portion applied to repay debt	-2		

68.90 Spending authority from offsetting collections (total discretionary)	33	42	42
70.00 Total new financing authority (gross)	60	66	66
Change in obligated balances:			
72.40 Obligated balance, start of year	54	60	56
73.10 Total new obligations	58	50	50
73.20 Total financing disbursements (gross)	-46	-54	-54
73.45 Recoveries of prior year obligations	-4		
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-2		
74.40 Obligated balance, end of year	60	56	52
87.00 Total financing disbursements (gross)	46	54	54

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-13	-17	-17
88.25 Interest on uninvested funds	-2	-5	-5
88.40 Non-Federal sources—repayment of principal	-15	-15	-15
88.40 Non-Federal sources—interest on loans	-3	-5	-5
88.90 Total, offsetting collections (cash)	-33	-42	-42
Against gross financing authority only:			
88.95 Change in receivables from program accounts	-2		

Net financing authority and financing disbursements:

89.00 Financing authority	25	24	24
90.00 Financing disbursements	12	12	12

Status of Direct Loans (in millions of dollars)

Identification code 12-4219-0-3-452	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	40	34	34
1150 Total direct loan obligations	40	34	34
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	347	359	382
1231 Disbursements: Direct loan disbursements	27	38	38
1251 Repayments: Repayments and prepayments	-15	-15	-15
1290 Outstanding, end of year	359	382	405

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances loans to intermediary borrowers, who in turn lend the funds to small rural businesses, community development corporations, or other organizations for the purpose of improving economic opportunities in rural areas. Through the use of local intermediaries, this program serves small-scale enterprises and gives preference to those communities with the greatest need.

Balance Sheet (in millions of dollars)

Identification code 12-4219-0-3-452	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury		
Net value of assets related to post-1991 direct loans receivable:	4	13
1401 Direct loans receivable, gross	347	359
1402 Interest receivable	2	2
1405 Allowance for subsidy cost (-)	-150	-150
1499 Net present value of assets related to direct loans	199	211
1999 Total assets	203	224
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	203	224
2999 Total liabilities	203	224

Credit accounts—Continued**RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING ACCOUNT**—Continued**Balance Sheet** (in millions of dollars)—Continued

Identification code 12-4219-0-3-452	2003 actual	2004 actual
4999 Total liabilities and net position	203	224

RURAL DEVELOPMENT LOAN FUND LIQUIDATING ACCOUNT**Program and Financing** (in millions of dollars)

Identification code 12-4233-0-3-452	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	.....
22.40 Capital transfer to general fund .....	.....	-1	.....
23.90 Total budgetary resources available for obligation	1	.....	.....
24.40 Unobligated balance carried forward, end of year	1	.....	.....
New budget authority (gross), detail:			
Mandatory:			
69.00 Offsetting collections (cash)	4	4	4
69.27 Capital transfer to general fund	-4	-4	-4
69.90 Spending authority from offsetting collections (total mandatory) .....	.....	.....	.....
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Loan repayments	-3	-3	-3
88.40 Borrower interest payments	-1	-1	-1
88.90 Total, offsetting collections (cash)	-4	-4	-4
Net budget authority and outlays:			
89.00 Budget authority	-4	-4	-4
90.00 Outlays	-4	-4	-4

Status of Direct Loans (in millions of dollars)

Identification code 12-4233-0-3-452	2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	58	55	52
1251 Repayments: Repayments and prepayments	-3	-3	-3
1290 Outstanding, end of year	55	52	49

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. New loan activity in 1992 and beyond is recorded in corresponding program and financing accounts.

Balance Sheet (in millions of dollars)

Identification code 12-4233-0-3-452	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	1	1
1206 Non-Federal assets: Receivables, net	1	.....
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:	.....	.....
1601 Direct loans, gross	58	55
1603 Allowance for estimated uncollectible loans and interest (-)	-29	-27
1604 Direct loans and interest receivable, net	29	28
1699 Value of assets related to direct loans	29	28
1999 Total assets	31	29
LIABILITIES:		
2104 Federal liabilities: Resources payable to Treasury	31	29

2999 Total liabilities	31	29
4999 Total liabilities and net position	31	29

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

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, \$25,003,000.

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, [**\$4,698,000**] \$4,993,000, to remain available until expended.

Of the funds derived from interest on the cushion of credit payments in the current fiscal year, as authorized by section 313 of the Rural Electrification Act of 1936, [**\$4,698,000**] \$4,993,000 shall not be obligated and [**\$4,698,000**] \$4,993,000 are rescinded. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-3108-0-1-452	2004 actual	2005 est.	2006 est.
0101 Negative subsidies/subsidy reestimates	2	.....	.....

Program and Financing (in millions of dollars)

Identification code 12-3108-0-1-452	2004 actual	2005 est.	2006 est.
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Obligations by program activity:

00.01 Direct loan subsidy	3	5	5
08.02 Downward Reestimate	2

Budgetary resources available for obligation:

22.00 New budget authority (gross)	3	5	5
23.95 Total new obligations	-5	-5	-5

New budget authority (gross), detail:

40.00 Appropriation	3	5	5
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Change in obligated balances:

72.40 Obligated balance, start of year	4	5	7
73.10 Total new obligations	5	5	5
73.20 Total outlays (gross)	-4	-3	-4
74.40 Obligated balance, end of year	5	7	8

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	1	1	1
86.93 Outlays from discretionary balances	3	2	3

Total outlays (gross)

87.00 Total outlays (gross)	4	3	4
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89.00 Budget authority	3	5	5
90.00 Outlays	4	3	4

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-3108-0-1-452	2004 actual	2005 est.	2006 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural economic development loans program	15	25	25
115901 Total direct loan levels	15	25	25
132001 Direct loan subsidy (in percent):	.....	.....	.....
132901 Weighted average subsidy rate	18.76	18.79	19.97
133001 Direct loan subsidy budget authority:	.....	.....	.....
133901 Total subsidy budget authority	3	5	5
134001 Direct loan subsidy outlays:	.....	.....	.....
134001 Rural economic development loans program	4	3	4

134901 Total subsidy outlays	4	3	4
Direct loan downward reestimate subsidy budget authority:			
137001 Downward reestimates subsidy budget authority	—2		
137901 Total downward reestimate budget authority	—2		

Rural economic development loans are made for the purpose of promoting rural economic development and job creation projects. Loans are made to electric and telecommunication borrowers, who, in turn, finance rural development projects in their service areas. Program costs are derived from interest earnings on borrowers' "cushion of credit" loan prepayments.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond. The subsidy amounts are estimated on a present value basis.

RURAL ECONOMIC DEVELOPMENT DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4176-0-3-452	2004 actual	2005 est.	2006 est.
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Obligations by program activity:			
00.01 Direct loans	15	25	25
00.03 Interest expense	4	6	6
00.91 Direct Program by Activities—Subtotal (1 level)	19	31	31
08.89 Downward subsidy reestimate paid to receipt account	2		
10.00 Total new obligations (object class 41.0)	21	31	31

Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2		
22.00 New financing authority (gross)	19	23	23
22.10 Resources available from recoveries of prior year obligations	1	10	10
22.70 Balance of authority to borrow withdrawn	—1	—2	—2
23.90 Total budgetary resources available for obligation	21	31	31
23.95 Total new obligations	—21	—31	—31
24.40 Unobligated balance carried forward, end of year			

New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	14	7	10
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	19	19	19
68.10 Change in uncollected customer payments from Federal sources (unexpired)	—1		
68.47 Portion applied to repay debt	—13	—3	—6
68.90 Spending authority from offsetting collections (total discretionary)	5	16	13
70.00 Total new financing authority (gross)	19	23	23

Change in obligated balances:			
72.40 Obligated balance, start of year	13	12	11
73.10 Total new obligations	21	31	31
73.20 Total financing disbursements (gross)	—22	—22	—19
73.45 Recoveries of prior year obligations	—1	—10	—10
74.00 Change in uncollected customer payments from Federal sources (unexpired)	1		
74.40 Obligated balance, end of year	12	11	13
87.00 Total financing disbursements (gross)	22	22	19

Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Federal Funds: Program Account	—4	—3	—3
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	—1	—2	—2
88.40 Non-Federal sources: Repayment of Principal	—14	—14	—14
88.90 Total, offsetting collections (cash)	—19	—19	—19
Against gross financing authority only:			
88.95 Change in receivables from program accounts	1		

Net financing authority and financing disbursements:			
89.00 Financing authority	1	4	4
90.00 Financing disbursements	4	3	

Status of Direct Loans (in millions of dollars)

Identification code 12-4176-0-3-452	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	15	25	25
1131 Direct loan obligations exempt from limitation	15	25	25
1150 Total direct loan obligations	15	25	25
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	73	75	79
1231 Disbursements: Direct loan disbursements	16	18	19
1251 Repayments: Repayments and prepayments	—14	—14	—14
1290 Outstanding, end of year	75	79	84

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4176-0-3-452	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	4	4
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	73	75
1405 Allowance for subsidy cost (—)	—10	—8
1499 Net present value of assets related to direct loans	63	67
1999 Total assets	67	71
LIABILITIES:		
Federal liabilities:		
2104 Resources payable to Treasury	67	70
2105 Other		1
2999 Total liabilities	67	71
4999 Total liabilities and net position	67	71

RURAL BUSINESS INVESTMENT PROGRAMS ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-1907-0-1-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.02 Debenture subsidy		5	.....
00.09 Administrative expense	1	2	.....
00.10 Grants		3	.....
10.00 Total new obligations	1	10	.....

Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	100	99	89
22.00 New budget authority (gross)			—89
23.90 Total budgetary resources available for obligation	100	99	.....
23.95 Total new obligations	—1	—10	.....
24.40 Unobligated balance carried forward, end of year	99	89	.....

New budget authority (gross), detail:

40.36 Discretionary:	Unobligated balance permanently reduced		—89
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Change in obligated balances:

72.40 Obligated balance, start of year			1
73.10 Total new obligations	1	10
73.20 Total financing disbursements (gross)	—1	—9	88

Credit accounts—Continued

RURAL BUSINESS INVESTMENT PROGRAMS ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1907-0-1-452		2004 actual	2005 est.	2006 est.
74.40	Obligated balance, end of year	1	89	
	Outlays (gross), detail:			
86.90	Outlays from new discretionary authority		—89	
86.98	Outlays from mandatory balances	1	9	1
87.00	Total outlays (gross)	1	9	—88
	Net budget authority and outlays:			
89.00	Budget authority		—89	
90.00	Outlays	1	9	—88

The Rural Business Investment Program is authorized under 7 U.S.C. 2009cc. The purpose of this program is to promote economic development and the creation of wealth and job opportunities in rural areas and among individuals living in those areas by encouraging developmental capital investments in smaller enterprises primarily located in rural areas. RBS may enter into participation agreements with rural business investment companies and may guarantee debentures of rural business investment companies to enable each rural business investment company to make developmental venture capital investments in smaller enterprises in rural areas. Grants will be made to rural business investment companies and other entities for the purpose of providing operational assistance to smaller enterprises financed by rural business investment companies. The Rural Business Investment Program was authorized and provided mandatory funding by section 6029 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171. The Act provides such sums as may be necessary for the cost of guaranteeing \$280 million of debentures and \$44 million to make grants, an estimated total of \$100,000,000, to remain available until expended from the funds of the Commodity Credit Corporation.

In 2005, the program is limited to \$10 million. For 2006, the Budget cancels unobligated balances, leaving zero for these purposes. This is the expected obligation amount for these funds because, like many new business programs, the target community takes a while to develop. The split of debentures, grants, and administrative expenses in 2005 and out will be determined as Rural Development works with Small Business Administration to implement this program.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond, as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1907-0-1-452		2004 actual	2005 est.	2006 est.
	Guaranteed loan levels supportable by subsidy budget authority:			
215001	Loan guarantee levels	60		
215901	Total loan guarantee levels	60		
	Guaranteed loan subsidy (in percent):			
232001	Subsidy rate	0.00	8.05	
232901	Weighted average subsidy rate	0.00	8.05	
	Guaranteed loan subsidy budget authority:			
233001	Subsidy budget authority			
233901	Total subsidy budget authority			

Guaranteed loan subsidy outlays:			
234001	Subsidy outlays	5	
234901	Total subsidy outlays	5	
	Administrative expense data:		
351001	Budget authority		
358001	Outlays from balances	1	2

Object Classification (in millions of dollars)

Identification code 12-1907-0-1-452		2004 actual	2005 est.	2006 est.
25.2	Administrative Expenses	1	2	
41.0	Grants, subsidies, and contributions		8	
99.9	Total new obligations	1	10	

RURAL BUSINESS INVESTMENT PROGRAM GUARANTEE FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4033-0-3-452		2004 actual	2005 est.	2006 est.
	Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year		5	
22.00	New financing authority (gross)		5	
23.90	Total budgetary resources available for obligation	5	5	
24.40	Unobligated balance carried forward, end of year	5	5	

New financing authority (gross), detail:

Discretionary:		
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)	5
87.00	Total financing disbursements (gross)	

Offsets:

Against gross financing authority and financing disbursements:		
88.00	Offsetting collections (cash) from: Federal sources	—5

Net financing authority and financing disbursements:

89.00	Financing authority		
90.00	Financing disbursements	—5	

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4033-0-3-452		2004 actual	2005 est.	2006 est.
	Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders		60	
2150	Total guaranteed loan commitments	60		
2199	Guaranteed amount of guaranteed loan commitments	48		

Cumulative balance of guaranteed loans outstanding:

2210	Outstanding, start of year		
2231	Disbursements of new guaranteed loans	2	8
2251	Repayments and prepayments		—1
2290	Outstanding, end of year	2	9

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	1	7
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RENEWABLE ENERGY PROGRAM

For the cost of a program of direct loans, loan guarantees, and grants, under the same terms and conditions as authorized by section 9006 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106), [[\$23,000,000]] \$10,000,000 for direct and guaranteed renewable energy loans and grants: *Provided*, That the cost of direct loans and loan guarantees, including the cost of modifying such loans,

shall be as defined in section 502 of the Congressional Budget Act of 1974. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.*)

Program and Financing (in millions of dollars)

Identification code 12-1908-0-1-451	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy	11	5	
00.10 Renewable energy grants	23	12	5
10.00 Total new obligations (object class 41.0)	23	23	10
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	23	23	10
23.95 Total new obligations	−23	−23	−10
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	23	23	10
40.35 Appropriation permanently reduced			−23
43.00 Appropriation (total discretionary)	23	23	−13
Mandatory:			
62.00 Transferred from other accounts			23
70.00 Total new budget authority (gross)	23	23	10
Change in obligated balances:			
72.40 Obligated balance, start of year	22	43	40
73.10 Total new obligations	23	23	10
73.20 Total outlays (gross)	−1	−26	−28
73.40 Adjustments in expired accounts (net)	−1		
74.40 Obligated balance, end of year	43	40	22
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6	−8	
86.93 Outlays from discretionary balances	1	20	19
86.97 Outlays from new mandatory authority			10
86.98 Outlays from mandatory balances			7
87.00 Total outlays (gross)	1	26	28
Net budget authority and outlays:			
89.00 Budget authority	23	23	10
90.00 Outlays	1	26	28

Renewable Energy Systems and Energy Efficiency Improvements is authorized under 7 U.S.C. 8106. This program provides direct loans, loan guarantees, and grants to farmers, ranchers, and small rural businesses to purchase renewable energy systems and make energy efficiency improvements. The Farm Security and Rural Investment Act of 2002, Public Law 107-171, dated May 13, 2002, provides mandatory funding for this program. Of the funds of the Commodity Credit Corporation, the Secretary shall make available \$23,000,000 for each of fiscal years 2003 through 2007. In 2005, the full \$23 million is blocked from being spent. Similarly, in 2006 the full \$23 million in 2006 funds is canceled. However, \$10 million in discretionary funding is provided for this purpose to ensure that any unmet need by other Federal programs can potentially be accommodated.

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1908-0-1-451	2004 actual	2005 est.	2006 est.
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Loan guarantee levels	615	286	
215901 Total loan guarantee levels	615	286	
Guaranteed loan subsidy (in percent):			
232001 Subsidy rate	1.87	1.75	
232901 Weighted average subsidy rate	1.87	1.75	

Guaranteed loan subsidy budget authority: 233001 Subsidy budget authority	11	5
233901 Total subsidy budget authority	11	5
Guaranteed loan subsidy outlays: 234001 Subsidy outlays	1	6
234901 Total subsidy outlays	1	6

RENEWABLE ENERGY GUARANTEED LOAN FINANCING ACCOUNT
Program and Financing (in millions of dollars)

Identification code 12-4267-0-3-451	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year			1
22.00 New financing authority (gross)		1	6
23.90 Total budgetary resources available for obligation		1	7
24.40 Unobligated balance carried forward, end of year		1	7
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)		1	6
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		−1	−6
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		−1	−6

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4267-0-3-451	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation		615	286
2150 Total guaranteed loan commitments		615	286
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			248
2231 Disbursements of new guaranteed loans		275	360
2251 Repayments and prepayments		−27	−61
2290 Outstanding, end of year		248	547
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		195	429

Public enterprise funds:
ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION REVOLVING FUND
Program and Financing (in millions of dollars)

Identification code 12-4144-0-3-352	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1		
22.00 New budget authority (gross)	−1		
23.90 Total budgetary resources available for obligation			
24.40 Unobligated balance carried forward, end of year			
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced	−1		

Public enterprise funds—Continued

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION REVOLVING FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4144-0-3-352	2004 actual	2005 est.	2006 est.
Net budget authority and outlays:			
89.00 Budget authority	—1	.....	.....
90.00 Outlays .....	.....	.....	.....

The Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901 et seq.) was repealed by 116 Stat. 418. USDA is currently disposing of the assets of the fund as prescribed in the statute. The unobligated balances of this account were rescinded in FY 2004.

RURAL UTILITIES SERVICE**Federal Funds****General and special funds:****HIGH ENERGY COST GRANTS****Program and Financing** (in millions of dollars)

Identification code 12-2042-0-1-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	31	51	.....
10.00 Total new obligations (object class 41.0)	31	51	.....
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	26	23	.....
22.00 New budget authority (gross)	28	28	.....
23.90 Total budgetary resources available for obligation	54	51	.....
23.95 Total new obligations	—31	—51	.....
24.40 Unobligated balance carried forward, end of year	23	.....	.....
New budget authority (gross), detail:			
Discretionary:			
42.00 Transferred from other accounts	28	28	.....
Change in obligated balances:			
72.40 Obligated balance, start of year	15	41	.....
73.10 Total new obligations	31	51	.....
73.20 Total outlays (gross)	—16	—25	—25
74.40 Obligated balance, end of year	15	41	16
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	16	14	.....
86.93 Outlays from discretionary balances .....	.....	11	25
87.00 Total outlays (gross)	16	25	25
Net budget authority and outlays:			
89.00 Budget authority	28	28	.....
90.00 Outlays	16	25	25

Funding was provided in 2001 through 2005 to support grants for areas that have high energy costs. These grants can be made to eligible entities or the Denali Commission to construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities serving communities in which the average residential expenditure for home energy is at least 275 percent of the national average residential expenditure for home energy (as determined by the Energy Information Agency using the most recent data available). Grants are also available to establish and support a revolving fund to provide a more cost-effective means of purchasing fuel where the fuel cannot be shipped by means of surface transportation.

Credit accounts:

RURAL WATER AND WASTE DISPOSAL DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4226-0-3-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loans	895	1,042	1,000
00.02 Interest on Treasury borrowing	342	532	640
00.91 Direct Program by Activities—Subtotal	1,237	1,574	1,640
08.02 Subsidy reestimate paid to receipt account	102	1	1
10.00 Total new obligations	1,339	1,575	1,641
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	185	181	.....
22.00 New financing authority (gross)	1,328	1,354	1,601
22.10 Resources available from recoveries of prior year obligations	52	40	40
22.70 Balance of authority to borrow withdrawn	—46	.....	.....
23.90 Total budgetary resources available for obligation	1,519	1,575	1,641
23.95 Total new obligations	—1,339	—1,575	—1,641
24.40 Unobligated balance carried forward, end of year	181	.....	.....
New financing authority (gross), detail:			
47.00 Authority to borrow	967	.....	.....
67.10 Authority to borrow .....	.....	916	1,174
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	622	625	630
68.10 Change in uncollected customer payments from Federal sources (unexpired)	—48	13	—3
68.47 Portion applied to repay debt	—213	—200	—200
68.90 Spending authority from offsetting collections (total discretionary)	361	438	427
70.00 Total new financing authority (gross)	1,328	1,354	1,601
Change in obligated balances:			
72.40 Obligated balance, start of year	2,271	2,462	2,546
73.10 Total new obligations	1,339	1,575	1,641
73.20 Total financing disbursements (gross)	—1,144	—1,438	—1,568
73.45 Recoveries of prior year obligations	—52	—40	—40
74.00 Change in uncollected customer payments from Federal sources (unexpired)	48	—13	3
74.40 Obligated balance, end of year	2,462	2,546	2,582
78.70 Total financing disbursements (gross)	1,144	1,438	1,568
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	—71	—81	—72
88.25 Interest on uninvested funds	—43	—40	—41
88.40 Repayment of principal	—272	—246	—252
88.40 Interest Received on Loans	—264	—258	—265
88.40 Non-Federal sources	28	.....	.....
88.90 Total, offsetting collections (cash)	—622	—625	—630
Against gross financing authority only:			
88.95 Change in receivables from program accounts	48	—13	3
Net financing authority and financing disbursements:			
89.00 Financing authority	754	716	974
90.00 Financing disbursements	522	813	938

Status of Direct Loans (in millions of dollars)

Identification code 12-4226-0-3-452	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	.....	.....	.....
1131 Direct loan obligations exempt from limitation	895	1,042	1,000
1150 Total direct loan obligations	895	1,042	1,000

Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	5,565	6,009	6,669
1231 Disbursements: Direct loan disbursements	700	906	926
1251 Repayments: Repayments and prepayments	-273	-246	-252
1264 Write-offs for default: Other adjustments, net	17		
1290 Outstanding, end of year	6,009	6,669	7,343

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. The subsidy cost of these loans is provided through the Rural Community Advancement Program. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

The water and waste disposal program makes loans and grants to finance water and waste disposal facilities in rural areas.

Balance Sheet (in millions of dollars)

Identification code 12-4226-0-3-452	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury		64
Investments in US securities:		
1106 Receivables, net	4	9
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	5,565	6,009
1402 Interest receivable	50	65
1405 Allowance for subsidy cost (-)	-809	-760
1499 Net present value of assets related to direct loans	4,806	5,314
1999 Total assets	4,810	5,387
LIABILITIES:		
Federal liabilities:		
2103 Debt	4,787	5,373
2105 Other	23	14
2999 Total liabilities	4,810	5,387
4999 Total liabilities and net position	4,810	5,387

RURAL WATER AND WASTE WATER DISPOSAL GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4218-0-3-452	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	1	1	
New financing authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	1	1	
87.00 Total financing disbursements (gross)			
Offsets:			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-1	-1	
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-1	-1	

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4218-0-3-452	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation	41	75	75
2150 Total guaranteed loan commitments	41	75	75
2199 Guaranteed amount of guaranteed loan commitments	33	60	60
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	29	33	34
2231 Disbursements of new guaranteed loans	4	5	5
2251 Repayments and prepayments		-4	-4
2290 Outstanding, end of year	33	34	35
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	26	27	27

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for water systems, and waste disposal facilities in rural areas.

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

INCLUDING TRANSFER OF FUNDS

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935) shall be made as follows: 5 percent rural electrification loans, [\$120,000,000] \$100,000,000; municipal rate rural electric loans, \$100,000,000; loans made pursuant to section 306 of that Act, rural electric, [\$2,100,000,000] \$1,620,000,000; Treasury rate direct electric loans, [\$1,000,000,000] \$700,000,000; 5 percent rural telecommunications loans, \$145,000,000; cost of money rural telecommunications loans, [\$250,000,000] \$425,000,000; and for loans made pursuant to section 306 of that Act, rural telecommunications loans, [\$125,000,000] \$100,000,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by sections 305 and 306 of the Rural Electrification Act of 1936 (7 U.S.C. 935 and 936), as follows: cost of rural electric loans, [\$5,058,000] \$6,040,000, and the cost of telecommunications loans, [\$100,000] \$212,000: *Provided*, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [\$38,277,000] \$39,933,000 which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses". (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-1230-0-1-271	2004 actual	2005 est.	2006 est.
0101 Negative subsidies/subsidy reestimates	35	37	39
0102 Negative subsidies/subsidy reestimates	29		

Program and Financing (in millions of dollars)

Identification code 12-1230-0-1-271	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loan subsidy		5	6
00.05 Reestimate of direct loan subsidy	285		

Credit accounts—Continued

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS

PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1230-0-1-271		2004 actual	2005 est.	2006 est.
00.06	Interest on reestimates of direct loan subsidy	68	.....	.....
00.09	Administrative expenses subject to limitation	38	38	40
10.00	Total new obligations	391	43	46
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	391	43	46
23.95	Total new obligations	−391	−43	−46
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	38	43	46
Mandatory:				
60.00	Appropriation	353	.....	.....
70.00	Total new budget authority (gross)	391	43	46
Change in obligated balances:				
72.40	Obligated balance, start of year	62	50	33
73.10	Total new obligations	391	43	46
73.20	Total outlays (gross)	−401	−60	−50
73.40	Adjustments in expired accounts (net)	−2	.....	.....
74.40	Obligated balance, end of year	50	33	29
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	38	38	41
86.93	Outlays from discretionary balances	10	22	9
86.97	Outlays from new mandatory authority	353	.....	.....
87.00	Total outlays (gross)	401	60	50
Net budget authority and outlays:				
89.00	Budget authority	391	43	46
90.00	Outlays	401	60	50

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1230-0-1-271		2004 actual	2005 est.	2006 est.
Direct loan levels supportable by subsidy budget authority:				
115001 Hardship electric	240	120	100	
115002 Municipal electric	645	100	100	
115003 Treasury electric	1,181	700	700	
115004 FFB electric	1,765	2,000	1,620	
115005 Hardship telephone	145	145	145	
115006 Treasury telephone	49	250	424	
115007 FFB telephone	320	125	100	
115901 Total direct loan levels	4,345	3,440	3,189	
Direct loan subsidy (in percent):				
132001 Hardship electric	−2.33	3.04	0.92	
132002 Municipal electric	−2.42	1.35	5.05	
132003 Treasury electric	−0.06	−0.05	0.01	
132004 FFB electric	−1.99	−2.23	−0.48	
132005 Hardship telephone	−4.44	−1.21	−1.80	
132006 Treasury telephone	0.05	0.04	0.05	
132007 FFB telephone	−1.85	−1.95	−1.57	
132901 Weighted average subsidy rate	−1.60	−1.28	−0.18	
Direct loan subsidy budget authority:				
133001 Hardship electric	−6	4	1	
133002 Municipal electric	−16	1	5	
133003 Treasury electric .....	.....	.....	.....
133004 FFB electric	−35	−45	−8	
133005 Hardship telephone	−7	−2	−2	
133006 Treasury telephone	−6	−2	−2	
133007 FFB telephone .....	.....	.....	.....
133901 Total subsidy budget authority	−70	−44	−6	
Direct loan subsidy outlays:				
134001 Hardship electric	4	4	2	
134002 Municipal electric .....	.....	−2	−3	
134003 Treasury electric .....	.....	.....	.....

134004 FFB electric	−30	−37	−37
134005 Hardship telephone	2	13	3
134006 Treasury telephone .....	.....	.....	.....
134007 FFB telephone	−1	−2	−2
134901 Total subsidy outlays	−25	−24	−37
Direct loan upward reestimate subsidy budget authority:			
135001 Hardship electric	1	.....	.....
135002 Municipal electric	223	.....	.....
135003 Treasury electric	13	.....	.....
135004 FFB electric	106	.....	.....
135005 Hardship telephone	1	.....	.....
135006 Treasury telephone	1	.....	.....
135007 FFB telephone	8	.....	.....
135901 Total upward reestimate budget authority	353	.....	.....
Direct loan downward reestimate subsidy budget authority:			
137001 Hardship electric	−17	.....	.....
137002 Municipal electric	−3	.....	.....
137004 FFB electric	−1	.....	.....
137005 Hardship telephone	−2	.....	.....
137006 Treasury telephone	−5	.....	.....
137007 FFB telephone	−1	.....	.....
137901 Total downward reestimate budget authority	−29	.....	.....
Guaranteed loan levels supportable by subsidy budget authority:			
215001 Guaranteed electric .....	.....	100	.....
215002 Guaranteed underwriting loans .....	.....	1,000	.....
215901 Total loan guarantee levels .....	.....	1,100	.....
Guaranteed loan subsidy (in percent):			
232001 Guaranteed electric	0.06	0.06	0.00
232002 Guaranteed underwriting loans	0.00	0.00	0.00
232901 Weighted average subsidy rate	0.00	0.01	0.00
Administrative expense data:			
351001 Budget authority	38	38	40
359001 Outlays from new authority	38	38	40

The Rural Utilities Service (RUS) conducts the rural electrification and the rural telecommunications loan programs. The rural electrification loan program is financed through RUS direct and guaranteed loans for the operation of generating plants, electric transmission, and distribution lines or systems. The rural telecommunications loan program is financed through RUS direct loans for construction, expansion, and operation of telecommunications lines and facilities or systems.

USDA will propose rule changes to require recertification of rural status for each electric and telecommunications borrower on the first loan request received in or after 2006 and on the first loan request received after each subsequent Census.

USDA will determine if the current method of issuing loans, "first in; first out," provides adequate support to the areas with the highest priority needs. USDA will complete an analysis of electric loans made in 2002 and 2003 to determine the characteristics of the communities to which the loans are going, who the loans are supporting, benefits derived from the loans by the communities, and how many loans and dollars are going to support poverty areas.

RUS will rescind loans obligated, but not issued, more than ten years ago. Most electric loans obligated more than ten years ago have either been issued or cancelled. However, current law prohibits the rescission of telecommunications loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the rescission of all electric and telecommunications loan obligations that are more than ten years old.

As required by the Federal Credit Reform Act of 1990, this account records, for rural electrification and telecommuni-

cations programs, the subsidy costs associated with the direct and guaranteed loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)			
Identification code 12-1230-0-1-271	2004 actual	2005 est.	2006 est.
25.3 Other purchases of goods and services from Government accounts	38	38	40
41.0 Grants, subsidies, and contributions	353	5	6
99.9 Total new obligations	391	43	46

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)			
Identification code 12-4208-0-3-271	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loans	4,345	3,440	3,189
00.02 Interest on Treasury borrowing	854	950	950
00.91 Subtotal, Operating program	5,199	4,390	4,139
08.01 Negative subsidy paid to receipt account	70	47	12
08.02 Downward subsidy amount paid to receipt account	20	.....	.....
08.04 Interest on downward subsidy reestimate	9	.....	.....
08.91 Direct Program by Activities—Subtotal (1 level)	99	47	12
10.00 Total new obligations	5,298	4,437	4,151
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	10	215	.....
22.00 New financing authority (gross)	5,500	4,222	4,151
22.10 Resources available from recoveries of prior year obligations	125	.....	.....
22.70 Balance of authority to borrow withdrawn	−123	.....	.....
23.90 Total budgetary resources available for obligation	5,512	4,437	4,151
23.95 Total new obligations	−5,298	−4,437	−4,151
24.40 Unobligated balance carried forward, end of year	215	.....	.....
New financing authority (gross), detail:			
47.00 Authority to borrow	4,444	.....	.....
67.10 Authority to borrow .....	.....	3,071	2,928
Spending authority from offsetting collections:			
68.00 Discretionary: Offsetting collections (cash)	1,621	1,699	1,779
68.10 Change in uncollected customer payments from Federal sources (unexpired)	−13	−73	−73
68.47 Portion applied to repay debt	−552	−475	−483
68.90 Spending authority from offsetting collections (total discretionary)	1,056	1,151	1,223
70.00 Total new financing authority (gross)	5,500	4,222	4,151
Change in obligated balances:			
72.40 Obligated balance, start of year	9,501	10,849	11,928
73.10 Total new obligations	5,298	4,437	4,151
73.20 Total financing disbursements (gross)	−3,837	−3,431	−3,453
73.45 Recoveries of prior year obligations	−125	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	13	73	73
74.40 Obligated balance, end of year	10,849	11,928	12,699
87.00 Total financing disbursements (gross)	3,837	3,431	3,453
Offsets:			
Against gross financing authority and financing disbursements: Offsetting collections (cash) from: Payment from program account	−364	−17	−5

88.25 Interest on uninvested funds	−60	−132	−132
88.40 Repayment of principal	−469	−417	−497
88.40 Interest received on loans	−726	−1,133	−1,145
88.90 Total, offsetting collections (cash)	−1,619	−1,699	−1,779
Against gross financing authority only: Change in receivables from program accounts	13	73	73
88.96 Portion of offsetting collections (cash) credited to expired accounts	−2	.....	.....

Net financing authority and financing disbursements:			
89.00 Financing authority	3,892	2,596	2,445
90.00 Financing disbursements	2,216	1,732	1,674

Status of Direct Loans (in millions of dollars)

Identification code 12-4208-0-3-271	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	4,345	3,440	3,189
1131 Direct loan obligations exempt from limitation	4,345	3,440	3,189
1150 Total direct loan obligations	4,345	3,440	3,189
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	14,069	16,519	19,533
1231 Disbursements: Direct loan disbursements	2,919	3,431	3,372
1251 Repayments: Repayments and prepayments	−469	−417	−497
1290 Outstanding, end of year	16,519	19,533	22,408

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from electric and telecommunication direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4208-0-3-271	2003 actual	2004 actual
ASSETS:		
1101 Fund balances with Treasury	17	166
1106 Investments in US securities:	497	89
1106 Receivables, net	497	89
Net value of assets related to post-1991 direct loans receivable:	.....	.....
1401 Direct loans receivable, gross	12,413	14,675
1402 Interest receivable	198	4
1405 Allowance for subsidy cost (−)	−1,113	−748
1499 Net present value of assets related to direct loans	11,498	13,931
1999 Total assets	12,012	14,186
LIABILITIES:		
2103 Federal liabilities: Debt	12,006	14,167
2207 Non-Federal liabilities: Other	6	19
2999 Total liabilities	12,012	14,186
4999 Total liabilities and net position	12,012	14,186
ASSETS:		
1101 Fund balances with Treasury	28	114
1106 Investments in US securities:	59	24
1106 Receivables, net	59	24
Net value of assets related to post-1991 direct loans receivable:	.....	.....
1401 Direct loans receivable, gross	1,656	1,844
1402 Interest receivable	1	1
1405 Allowance for subsidy cost (−)	−46	−10
1499 Net present value of assets related to direct loans	1,611	1,835
1999 Total assets	1,698	1,973
LIABILITIES:		
2103 Federal liabilities: Debt	1,671	1,953
2207 Non-Federal liabilities: Other	27	20
2999 Total liabilities	1,698	1,973

Credit accounts—Continued**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN FINANCING ACCOUNT—Continued****Balance Sheet (in millions of dollars)—Continued**

Identification code 12-4208-0-3-271	2003 actual	2004 actual
4999 Total liabilities and net position	1,698	1,973

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS GUARANTEED LOANS FINANCING ACCOUNT**Status of Guaranteed Loans (in millions of dollars)**

Identification code 12-4209-0-3-271	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation		1,100	.....
2150 Total guaranteed loan commitments		1,100	.....
2199 Guaranteed amount of guaranteed loan commitments		1,100	.....
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	223	222	1,292
2231 Disbursements of new guaranteed loans	19	1,100	.....
2251 Repayments and prepayments	−20	−30	−40
2290 Outstanding, end of year	222	1,292	1,252
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	222	1,292	1,252

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances loan guarantee commitments.

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LIQUIDATING ACCOUNT**Program and Financing (in millions of dollars)**

Identification code 12-4230-0-3-271	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Interest expense on certificates of beneficial ownership	317	317	317
00.02 Interest expense, FFB direct	522	495	464
00.03 Other interest expense	9	13	13
00.04 Direct loans	3	.....	.....
00.05 Other	78	72	72
10.00 Total new obligations	929	897	866
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	286	1,657	1,352
22.00 New budget authority (gross)	2,561	1,024	894
22.10 Resources available from recoveries of prior year obligations	18	.....	.....
22.40 Capital transfer to general fund	−280	−432	−28
23.90 Total budgetary resources available for obligation	2,585	2,249	2,218
23.95 Total new obligations	−929	−897	−866
24.40 Unobligated balance carried forward, end of year	1,657	1,352	1,352

New budget authority (gross), detail:

Discretionary:		
40.36 Unobligated balance rescission proposal		−5
Mandatory:		
60.00 Appropriation	161	161
60.36 Unobligated balance permanently reduced	−3	−5
62.00 Transferred from other accounts	20	19
		19

62.50 Appropriation (total mandatory)	17	175	180
67.10 Authority to borrow	2	.....	.....
69.00 Offsetting collections (cash)	3,060	1,848	1,622
69.27 Capital transfer to general fund	−20	.....	.....
69.47 Portion applied to repay debt	−498	−999	−903
69.90 Spending authority from offsetting collections (total mandatory)	2,542	849	719
70.00 Total new budget authority (gross)	2,561	1,024	894

Change in obligated balances:

72.40 Obligated balance, start of year	321	269	175
73.10 Total new obligations	929	897	866
73.20 Total outlays (gross)	−963	−991	−996
73.45 Recoveries of prior year obligations	−18	.....	.....
74.40 Obligated balance, end of year	269	175	45

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	842	825	830
86.98 Outlays from mandatory balances	121	166	166
87.00 Total outlays (gross)	963	991	996

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Loans repaid	−1,740	−1,035	−905
88.40 Interest from loans	−888	−813	−717
88.40 Undistributed Charges	−432	.....	.....
88.90 Total, offsetting collections (cash)	−3,060	−1,848	−1,622

Net budget authority and outlays:

89.00 Budget authority	−499	−824	−728
90.00 Outlays	−2,096	−857	−626

Status of Direct Loans (in millions of dollars)

Identification code 12-4230-0-3-271	2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	17,104	14,948	13,403
1231 Disbursements: Direct loan disbursements	3	4	11
1251 Repayments: Repayments and prepayments	−2,224	−1,545	−1,324
1261 Adjustments: Capitalized interest	64	.....	.....
Write-offs for default:			
1263 Direct loans	1	.....	.....
1264 Other adjustments, net	1	−4	−3
1290 Outstanding, end of year	14,948	13,403	12,087

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4230-0-3-271	2004 actual	2005 est.	2006 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	293	255	233
2231 Disbursements of new guaranteed loans .....	.....	.....	.....
2251 Repayments and prepayments	−38	−16	−15
2263 Adjustments: Terminations for default that result in claim payments .....	.....	−6	−6
2290 Outstanding, end of year	255	233	212
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	255	233	212

STATUS OF AGENCY DEBT

[In millions of dollars]			
Agency debt held by FFB:	2004 actual	2005 est.	2006 est.
Outstanding FFB direct, start of year	8,397	7,902	7,065
Outstanding Certificate of Beneficial Ownership (CBO's), start of year	4,270	4,270	4,270
New agency borrowing, FFB direct	0	0	0
Repayments and prepayments, FFB Direct	3	3	3
Repayments, CBO's	−498	−840	−840
.....	0	0	0
Outstanding FFB direct, end of year	7,902	7,065	6,228
Outstanding CBO's, end of year	4,270	4,270	4,270

As required by the Federal Credit Reform Act of 1990, this account records, for rural electrification and telecommuni-

cations programs, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in RETRF in 1992 and beyond is recorded in corresponding program and financing accounts.

The Rural Utilities Service (RUS) will continue to service all loans in this account providing business management and technical assistance to the borrowers on a regular basis over the life of the loans.

RUS will rescind loans obligated, but not issued, more than ten years ago. Most electric loans obligated more than ten years ago have either been issued or cancelled. However, current law prohibits the rescission of telecommunications loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the rescission of all electric and telecommunications loan obligations that are more than ten years old.

Rural electric.—This program is financed through RUS direct loans for the construction and operation of generating plants, electric transmission, and distribution lines or systems.

The following tables reflect statistics on loans made through the liquidating account only. Since 1992 new electric and telephone loans have been made through a separate program account.

ELECTRIC PROGRAM STATISTICS

[dollars in millions]

	2004 actual	2005 est.	2006 est.
Cumulative RUS financed direct loans	21,851	21,851	21,851
Cumulative FFB financed direct loans	27,084	27,037	26,987
Cumulative RUS funds advanced	21,832	21,834	21,834
Unadvanced RUS funds, end of year	73	69	66
Cumulative RUS principal repaid	16,728	16,913	17,678
Cumulative RUS interest paid	12,363	12,952	13,594
Cumulative loan guarantee commitments ¹	0	0	0
Number of borrowers	712	711	704

¹ Represents loans financed by private lenders, including refinanced direct loans, FFB.

Rural telecommunications.—This loan program is financed through RUS direct loans for the construction, expansion, and operation of telecommunications lines and facilities or systems.

TELECOMMUNICATIONS PROGRAM STATISTICS

[dollars in millions]

	2004 actual	2005 est.	2006 est.
Cumulative RUS financed direct loans	6,023	6,010	5,990
Cumulative FFB financed direct loans	562	562	562
Cumulative RUS funds advanced	5,900	5,905	5,913
Unadvanced RUS funds, end of period	131	130	122
Cumulative RUS principal repaid	4,207	4,290	4,506
Cumulative RUS interest paid	3,098	3,234	3,415
Cumulative loan guarantee commitments ¹	0	0	0
Number of borrowers	600	595	589

¹ Other lenders—privately financed direct loans, FFB.

Balance Sheet (in millions of dollars)

Identification code 12-4230-0-3-271	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	405	1,477
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross (Electric)	15,263	13,283
1602 Interest receivable	6	28
1603 Allowance for estimated uncollectible loans and interest (-)	-1,935	-1,780
1604 Direct loans and interest receivable, net	13,334	11,531

1699	Value of assets related to direct loans	13,334	11,531
1999	Total assets	13,739	13,008
LIABILITIES:			
2103	Federal liabilities:		
2104	Debt	15,016	14,446
2105	Resources payable to Treasury	-1,310	-1,505
2105	Other	33	67
2999	Total liabilities	13,739	13,008
4999	Total liabilities and net position	13,739	13,008
ASSETS:			
1101	Federal assets: Fund balances with Treasury	146	392
1201	Non-Federal assets: Investments in non-Federal securities, net	409	388
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:			
1601	Direct loans, gross (telephone)	1,843	1,665
1602	Interest receivable	1	9
1603	Allowance for estimated uncollectible loans and interest (-)	-147	-166
1604	Direct loans and interest receivable, net	1,697	1,508
1699	Value of assets related to direct loans	1,697	1,508
1999	Total assets	2,252	2,289
LIABILITIES:			
2103	Federal liabilities:		
2104	Debt	1,373	1,369
2105	Resources payable to Treasury	865	905
2105	Other	3	4
2999	Total liabilities	2,241	2,278
NET POSITION:			
3300	Cumulative results of operations	11	11
3999	Total net position	11	11
4999	Total liabilities and net position	2,252	2,289
Object Classification (in millions of dollars)			
Identification code 12-4230-0-3-271	2004 actual	2005 est.	2006 est.
25.2 Other services	78	72	72
33.0 Investments and loans	12	13	13
43.0 Interest and dividends	839	812	781
99.9 Total new obligations	929	897	866

RURAL TELEPHONE BANK PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out its authorized programs. [During fiscal year 2005 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be \$175,000,000.]

[In addition, for] For administrative expenses, including audits, necessary to [carry out the loan programs, \$3,152,000] continue to service existing loans, \$2,500,000, to be derived by transfer of unobligated balances from the Rural Telephone Bank Liquidating Account, which shall be transferred to and merged with the appropriation for "Rural Development, Salaries and Expenses". (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-1231-0-1-452	2004 actual	2005 est.	2006 est.
0101 Negative subsidies/subsidy reestimates	11	.....	.....

Credit accounts—Continued**RURAL TELEPHONE BANK PROGRAM ACCOUNT**—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued**Program and Financing** (in millions of dollars)

Identification code 12-1231-0-1-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.09 Administrative expenses subject to limitation	3	3	3
10.00 Total new obligations (object class 25.2)	3	3	3
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3	3	3
23.95 Total new obligations	−3	−3	−3
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	3	3	3
42.00 Transferred from other accounts			3
43.00 Appropriation (total discretionary)	3	3	3
Change in obligated balances:			
72.40 Obligated balance, start of year	20	18	17
73.10 Total new obligations	3	3	3
73.20 Total outlays (gross)	−4	−4	−4
73.40 Adjustments in expired accounts (net)	−1		
74.40 Obligated balance, end of year	18	17	16
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	3	3
86.93 Outlays from discretionary balances	1	1	1
87.00 Total outlays (gross)	4	4	4
Net budget authority and outlays:			
89.00 Budget authority	3	3	3
90.00 Outlays	5	4	4

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1231-0-1-452	2004 actual	2005 est.	2006 est.
Direct loan levels supportable by subsidy budget authority:			
115001 Rural Telephone Bank	170	175	.....
115901 Total direct loan levels	170	175	.....
Direct loan subsidy (in percent):			
132001 Rural Telephone Bank	−4.32	−1.83	0.00
132901 Weighted average subsidy rate	−4.32	−1.83	0.00
Direct loan subsidy budget authority:			
133001 Rural Telephone Bank	−7	−3	.....
133901 Total subsidy budget authority	−7	−3	.....
Direct loan subsidy outlays:			
134001 Subsidy outlays	1	1	.....
134901 Total subsidy outlays	1	1	.....
Direct loan downward reestimate subsidy budget authority:			
137001 Rural Telephone Bank	−11	.....	.....
137901 Total downward reestimate budget authority	−11	.....	.....
Administrative expense data:			
351001 Budget authority	3	3	3
359001 Outlays from new authority	3	3	3

The President's Budget proposes no more federally funded loans. Additional telecommunication loan funds are proposed for the cost of money telecommunication loans to maintain the level of funds available to rural telecommunication borrowers. Funding for the Rural Telephone Bank's (RTB) administrative expenses will be transferred from the unobligated balances in the RTB liquidating account. The Budget directs dissolution of the RTB by paying out all stock. This will

allow the RTB to close as the demand for private lenders has been fulfilled through other sources. In addition, the stockholders will obtain a cash payout for their stock while removing this cumbersome program from the government.

RUS will rescind loans obligated, but not issued, more than ten years ago. Current law prohibits the rescission of RTB loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the rescission of all RTB loan obligations that are more than ten years old.

As required by the Federal Credit Reform Act of 1990, this account records, for the RTB, the subsidy costs associated with the direct loans obligated in 1992 and beyond as well as administrative expenses for the program. The subsidy amounts are estimated on a present value basis; administrative expenses are estimated on a cash basis.

RURAL TELEPHONE BANK DIRECT LOAN FINANCING ACCOUNT**Program and Financing** (in millions of dollars)

Identification code 12-4210-0-3-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Loans	170	175	.....
00.02 Interest on Treasury borrowing	25	83	83
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	2	30	1
22.00 New financing authority (gross)	243	232	83
22.10 Resources available from recoveries of prior year obligations	76	.....	.....
22.70 Balance of authority to borrow withdrawn	−78	.....	.....
23.90 Total budgetary resources available for obligation	243	262	84
23.95 Total new obligations	−213	−261	−83
24.40 Unobligated balance carried forward, end of year	30	1	1
New financing authority (gross), detail:			
Discretionary:			
47.00 Authority to borrow	216	.....	.....
Mandatory:			
67.10 Authority to borrow	136	.....	.....
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	61	154	154
68.10 Change in uncollected customer payments from Federal sources (unexpired)	−2	−3	−3
68.47 Portion applied to repay debt	−32	−55	−68
Spending authority from offsetting collections (total discretionary)	27	96	83
70.00 Total new financing authority (gross)	243	232	83
Change in obligated balances:			
72.40 Obligated balance, start of year	1,169	1,205	1,297
73.10 Total new obligations	213	261	83
73.20 Total financing disbursements (gross)	−103	−172	−167
73.45 Recoveries of prior year obligations	−76	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	2	3	3
74.40 Obligated balance, end of year	1,205	1,297	1,216
78.00 Total financing disbursements (gross)	103	172	167

Change in obligated balances:

72.40 Obligated balance, start of year	1,169	1,205	1,297
73.10 Total new obligations	213	261	83
73.20 Total financing disbursements (gross)	−103	−172	−167
73.45 Recoveries of prior year obligations	−76	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	2	3	3
74.40 Obligated balance, end of year	1,205	1,297	1,216
78.00 Total financing disbursements (gross)	103	172	167

Offsets:			
Against gross financing authority and financing disbursements:			
88.00	Federal sources: Payment from program account	-1	-1
88.25	Interest on uninvested funds	-5	-22
88.40	Principal received on loans	-55	-100
88.40	Interest received on loans	.....	-23
88.40	Sale of RTB Stock	-1	-8
88.90	Total, offsetting collections (cash)	-62	-154
Against gross financing authority only:			
88.95	Change in receivables from program accounts	2	3
88.96	Portion of offsetting collections (cash) credited to expired accounts	1	.....
Net financing authority and financing disbursements:			
89.00	Financing authority	184	81
90.00	Financing disbursements	41	18
Status of Direct Loans (in millions of dollars)			
Identification code 12-4210-0-3-452		2004 actual	2005 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	.....	.....
1131	Direct loan obligations exempt from limitation	170	175
1142	Unobligated direct loan limitation (-)	.....	.....
1150	Total direct loan obligations	170	175
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	328	374
1231	Disbursements: Direct loan disbursements	102	172
1251	Repayments: Repayments and prepayments	-56	-100
1290	Outstanding, end of year	374	446
As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.			
Balance Sheet (in millions of dollars)			
Identification code 12-4210-0-3-452		2003 actual	2004 actual
ASSETS:			
Federal assets:			
1101	Fund balances with Treasury	11	11
Investments in US securities:			
1106	Receivables, net	5	1
Net value of assets related to post-1991 direct loans receivable:			
1401	Direct loans receivable, gross	328	374
1405	Allowance for subsidy cost (-)	-2	-6
1499	Net present value of assets related to direct loans	326	368
1999	Total assets	342	380
LIABILITIES:			
Federal liabilities:			
2103	Debt	300	343
2105	Other	42	37
2999	Total liabilities	342	380
4999	Total liabilities and net position	342	380
RURAL TELEPHONE BANK LIQUIDATING ACCOUNT			
Program and Financing (in millions of dollars)			
Identification code 12-4231-0-3-452		2004 actual	2005 est.
Obligations by program activity:			
00.01	Dividends	49	29
10.00	Total new obligations (object class 43.0)	49	29
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	1,201	1,291
22.00	New budget authority (gross)	124	98
22.10	Resources available from recoveries of prior year obligations	15	.....
22.21	Unobligated balance transferred to other accounts	.....	-3
23.90	Total budgetary resources available for obligation	1,340	1,389
23.95	Total new obligations	-49	-29
24.40	Unobligated balance carried forward, end of year	1,291	1,360
New budget authority (gross), detail:			
Mandatory:			
61.00	Transferred to other accounts	-20	-19
69.00	Offsetting collections (cash)	204	125
69.10	Change in uncollected customer payments from Federal sources (unexpired)	-51	.....
69.27	Capital transfer to general fund	-9	.....
69.47	Portion applied to repay debt	.....	-22
69.90	Spending authority from offsetting collections (total mandatory)	144	117
70.00	Total new budget authority (gross)	124	98
Change in obligated balances:			
72.40	Obligated balance, start of year	34	90
73.10	Total new obligations	49	29
73.20	Total outlays (gross)	-29	-27
73.45	Recoveries of prior year obligations	-15	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	51	.....
74.40	Obligated balance, end of year	90	92
Outlays (gross), detail:			
86.97	Outlays from new mandatory authority	12	17
86.98	Outlays from mandatory balances	17	10
87.00	Total outlays (gross)	29	27
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.25	Interest on uninvested funds	-119	.....
88.40	Loans repaid	-53	-77
88.40	Interest from loans	-32	-48
88.90	Total, offsetting collections (cash)	-204	-125
Against gross budget authority only:			
88.95	Change in uncollected customer payments from Federal sources (unexpired)	51	.....
Net budget authority and outlays:			
89.00	Budget authority	-29	-27
90.00	Outlays	-174	-98
Status of Direct Loans (in millions of dollars)			
Identification code 12-4231-0-3-452		2004 actual	2005 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	476	423
1231	Disbursements: Direct loan disbursements	.....	2
1251	Repayments: Repayments and prepayments	-53	-77
1263	Write-offs for default: Direct loans	.....	-3
1290	Outstanding, end of year	423	345

As required by the Federal Credit Reform Act of 1990, this account records, for the Rural Telephone Bank (RTB), all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond is recorded in corresponding program and financing accounts. Funding for salaries and expenses will be transferred from the unobligated balances in the RTB liquidating account in 2006.

The RTB provides a supplemental source of financing for rural telecommunications borrowers. The Bank charges an interest rate based on the cost of money to the Bank, as prescribed by law, but not less than 5 percent per annum.

Credit accounts—Continued

RURAL TELEPHONE BANK LIQUIDATING ACCOUNT—Continued

In accordance with section 406(c) of the Rural Electrification Act of 1936, as amended, the first redemption of class A stock occurred on September 30, 1996. Redemption of class A stock will continue, as allowed by law, toward the full privatization of the RTB required by law. The President's Budget proposes that the RTB make no more Federally-funded loans.

RUS will rescind loans obligated, but not issued, more than ten years ago. Current law prohibits the rescission of Rural Telephone Bank loans in most instances. This has resulted in many outstanding obligations that are older than ten years. Since loans are issued for specific projects, and technology is changing at a very fast pace, it is doubtful that the original project will be accomplished ten years after a loan is approved. Legislation will be proposed to allow the rescission of all RTB loan obligations that are more than ten years old.

Administrative support is provided for the general operations of the Bank by RUS employees and the Office of the General Counsel.

PROGRAM STATISTICS

[dollars in millions]

	2004 actual	2005 est.	2006 est.
Cumulative net loans	2,517	2,052	2,487
Cumulative loan funds, advanced	2,470	2,485	2,500
Unadvanced loan funds, end of year	47	32	17
Cumulative principal repaid	2,047	2,471	2,895
Cumulative interest paid	2,417	2,449	2,481
Number of borrowers	270	255	240

Balance Sheet (in millions of dollars)

Identification code 12-4231-0-3-452	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	1,235	1,380
Investments in US securities:		
1106 Receivables, net	56	7
1402 Net value of assets related to post-1991 direct loans receivable: Interest receivable	1	1
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	476	423
1603 Allowance for estimated uncollectible loans and interest (−)	11	−5
1604 Direct loans and interest receivable, net	487	418
1699 Value of assets related to direct loans	487	418
1999 Total assets	1,779	1,806
LIABILITIES:		
Federal liabilities:		
2104 Resources payable to Treasury	55	.....
2105 Other	1,315	1,365
2999 Total liabilities	1,370	1,365
NET POSITION:		
3300 Cumulative results of operations	409	441
3999 Total net position	409	441
4999 Total liabilities and net position	1,779	1,806

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND PROGRAM

For the principal amount of [direct distance learning and telemedicine loans, \$50,000,000; and for the principal amount of direct] broadband telecommunication loans, [\$550,000,000] \$358,875,000.

For [the cost of direct loans and] grants for telemedicine and distance learning services in rural areas, as authorized by 7 U.S.C. 950aaa et seq., [\$35,710,000] \$25,000,000, to remain available until

expended], of which \$710,000 shall be for direct loans: *Provided*, That the cost of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That \$10,000,000 shall be made available to convert analog to digital operation those noncommercial educational television broadcast stations that serve rural areas and are qualified for Community Service Grants by the Corporation for Public Broadcasting under section 396(k) of the Communications Act of 1934, including associated translators and repeaters, regardless of the location of their main transmitter, studio-to-transmitter links, and equipment to allow local control over digital content and programming through the use of high-definition broadcast, multi-casting and datacasting technologies].

For the cost of broadband loans, as authorized by 7 U.S.C. 901 et seq., [\$11,715,000, to remain available until September 30, 2006] \$9,973,000: *Provided*, [That the interest rate for such loans shall be the cost of borrowing to the Department of the Treasury for obligations of comparable maturity: *Provided further*,] That the cost of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974.

[In addition, \$9,000,000, to remain available until expended, for a grant program to finance broadband transmission in rural areas eligible for Distance Learning and Telemedicine Program benefits authorized by 7 U.S.C. 950aaa.] (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-1232-0-1-452	2004 actual	2005 est.	2006 est.
0102 Negative subsidies/subsidy reestimates	1	.....	.....
Program and Financing (in millions of dollars)			
Identification code 12-1232-0-1-452			
Obligations by program activity:	2004 actual	2005 est.	2006 est.
00.01 Direct loan subsidy	13	48	9
00.02 Loan guaranteed subsidy .....	.....	3	1
00.03 Reestimate	1	.....	.....
00.10 Grants	54	55	25
10.00 Total new obligations (object class 41.0)	68	106	35
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	54	50	40
22.00 New budget authority (gross)	62	96	−5
22.10 Resources available from recoveries of prior year obligations	2	.....	.....
23.90 Total budgetary resources available for obligation	118	146	35
23.95 Total new obligations	−68	−106	−35
24.40 Unobligated balance carried forward, end of year	50	40	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	61	56	35
40.35 Appropriation permanently reduced .....	.....	.....	−10
40.36 Unobligated balance permanently reduced .....	.....	.....	−40
43.00 Appropriation (total discretionary)	61	56	−15
Mandatory:			
60.00 Appropriation	1	.....	.....
62.00 Transferred from other accounts .....	.....	40	10
62.50 Appropriation (total mandatory)	1	40	10
70.00 Total new budget authority (gross)	62	96	−5
Change in obligated balances:			
72.40 Obligated balance, start of year	113	137	196
73.10 Total new obligations	68	106	35
73.20 Total outlays (gross)	−42	−47	−66
73.45 Recoveries of prior year obligations	−2	.....	.....
74.40 Obligated balance, end of year	137	196	165
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	4	−15
86.93 Outlays from discretionary balances	39	43	59
86.97 Outlays from new mandatory authority .....	.....	.....	1
86.98 Outlays from mandatory balances .....	.....	.....	21

87.00	Total outlays (gross)	42	47	66
Net budget authority and outlays:				
89.00	Budget authority	62	96	—5
90.00	Outlays	42	47	66

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1232-0-1-452		2004 actual	2005 est.	2006 est.
Direct loan levels supportable by subsidy budget authority:				
1115001	Distance Learning and Telemedicine	30	50	.....
1115002	Direct Broadband 4% loans .....	.....	.....	30
1115003	Direct Broadband Treasury Rate loans	598	546	298
1115004	Mandatory Broadband 4% loans	4	.....	.....
1115005	Mandatory Broadband Treasury Rate loans	1	.....	.....
1115901	Total direct loan levels	633	596	328
Direct loan subsidy (in percent):				
1322001	Distance Learning and Telemedicine	0.00	1.42	0.00
1322002	Direct Broadband 4% loans	0.00	0.00	7.95
1322003	Direct Broadband Treasury Rate loans	2.18	2.13	2.15
1322004	Mandatory Broadband 4% loans	4.94	0.00	0.00
1322005	Mandatory Broadband Treasury Rate loans	2.18	0.00	0.00
1329001	Weighted average subsidy rate	2.09	2.07	2.68
Direct loan subsidy budget authority:				
1332001	Distance Learning and Telemedicine .....	.....	1	.....
1332002	Direct Broadband 4% loans .....	.....	.....	2
1332003	Direct Broadband Treasury Rate loans	13	12	6
1332004	Mandatory Broadband 4% loans .....	.....	.....	.....
1332005	Mandatory Broadband Treasury Rate loans .....	.....	.....	.....
1332006	Guaranteed Broadband Loans .....	.....	.....	.....
1339001	Total subsidy budget authority	13	13	8
Direct loan subsidy outlays:				
1342001	Distance Learning and Telemedicine .....	.....	.....	.....
1342002	Direct Broadband 4% loans .....	.....	.....	.....
1342003	Direct Broadband Treasury Rate loans	1	12	12
1342004	Mandatory Broadband 4% loans .....	.....	.....	.....
1342005	Mandatory Broadband Treasury Rate loans .....	.....	.....	.....
1349001	Total subsidy outlays	1	12	12
Direct loan downward reestimate subsidy budget authority:				
1372002	Direct Broadband 4% loans .....	.....	.....	.....
1379001	Total downward reestimate budget authority .....	.....	.....	.....
Guaranteed loan levels supportable by subsidy budget authority:				
2152001	Broadband Guaranteed loans .....	.....	.....	30
2152002	Mandatory Broadband Guaranteed loans .....	.....	.....	.....
2159001	Total loan guarantee levels .....	.....	.....	30
Guaranteed loan subsidy (in percent):				
2322001	Broadband Guaranteed loans	0.00	0.00	3.82
2322002	Mandatory Broadband Guaranteed loans	0.00	0.00	0.00
2329001	Weighted average subsidy rate	0.00	0.00	3.82
Guaranteed loan subsidy budget authority:				
2332001	Broadband Guaranteed loans .....	.....	.....	1
2332002	Mandatory Broadband Guaranteed loans .....	.....	.....	.....
2339001	Total subsidy budget authority .....	.....	.....	1
Guaranteed loan subsidy outlays:				
234002	Mandatory Broadband Guaranteed loans .....	.....	.....	2
2349001	Total subsidy outlays .....	.....	.....	2

The loan and grant program provides access to advanced telecommunications services for improved education and health care in rural areas throughout the country. The loans and grants help education and health care providers bring the most modern technology, level of care, and education to rural America so its citizens can compete regionally, nationally, and globally. Additionally, the Budget proposes canceling mandatory funding for 2006 and the carryover balances from 2004 and 2005. The Budget provides discretionary funding for loans to finance installation of broadband transmission capacity (the necessary fiber optic cable capacity needed in order to provide any enhanced services such as the Internet

or high speed modems) to and through rural communities, as authorized by the Rural Electrification Act of 1936, 7 U.S.C. 901 et seq.

Due to defaults in 2003, the subsidy rate for the Distance Learning and Telemedicine (DLT) program increased significantly. Since there is little demand for the DLT loans and the loans now cost the Government, the Budget proposes to not provide any DLT loans in 2006.

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4146-0-3-452		2004 actual	2005 est.	2006 est.
Obligations by program activity:				
00.01	Direct loans	633	2,129	329
00.02	Interest on Treasury borrowing	8	4	4
00.91	Direct Program by Activities—Subtotal	641	2,133	333
08.02	Downward reestimates paid to receipt accounts	1	.....	.....
10.00	Total new obligations	642	2,133	333

Budgetary resources available for obligation:

21.40	Unobligated balance carried forward, start of year	14	17	—1,553
22.00	New financing authority (gross)	659	634	330
22.10	Resources available from recoveries of prior year obligations	9	.....	.....
22.40	Capital transfer to general fund	—1	.....	.....
22.60	Portion applied to repay debt .....	.....	—71	—54
22.70	Balance of authority to borrow withdrawn	—22	.....	.....
23.90	Total budgetary resources available for obligation	659	580	—1,277
23.95	Total new obligations	—642	—2,133	—333
24.40	Unobligated balance carried forward, end of year	17	—1,553	—1,610

New financing authority (gross), detail:

47.00	Authority to borrow	635	.....	.....
Mandatory:				
67.10	Authority to borrow .....	.....	576	272
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	15	70	70
68.10	Change in uncollected customer payments from Federal sources (unexpired)	12	—12	—12
68.47	Portion applied to repay debt	—3	.....	.....
68.90	Spending authority from offsetting collections (total discretionary)	24	58	58
70.00	Total new financing authority (gross)	659	634	330

Change in obligated balances:

72.40	Obligated balance, start of year	178	733	2,812
73.10	Total new obligations	642	2,133	333
73.20	Total financing disbursements (gross)	—66	—66	—66
73.45	Recoveries of prior year obligations	—9	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	—12	12	12
74.40	Obligated balance, end of year	733	2,812	3,091
87.00	Total financing disbursements (gross)	66	66	66

Offsets:

88.00	Against gross financing authority and financing disbursements:	.....	.....	.....
Offsetting collections (cash) from:				
88.25	Federal sources	—1	—12	—12
88.40	Interest on uninvested funds	—2	—5	—5
88.40	Repayment of principal	—12	—30	—30
88.40	Interest received on loans .....	.....	—23	—23
88.90	Total, offsetting collections (cash)	—15	—70	—70
Against gross financing authority only:				
88.95	Change in receivables from program accounts	—12	12	12

Net financing authority and financing disbursements:

89.00	Financing authority	632	576	272
90.00	Financing disbursements	51	—4	—4

Credit accounts—Continued

DISTANCE LEARNING, TELEMEDICINE, AND BROADBAND DIRECT LOAN FINANCING ACCOUNT—Continued

Status of Direct Loans (in millions of dollars)

Identification code 12-4146-0-3-452	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1131 Direct loan obligations exempt from limitation	633	2,129	329
1142 Unobligated direct loan limitation (—)			
1150 Total direct loan obligations	633	2,129	329
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	81	131	167
1231 Disbursements: Direct loan disbursements	58	66	66
1251 Repayments: Repayments and prepayments	—8	—30	—38
1290 Outstanding, end of year	131	167	195

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4146-0-3-452	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	2	7
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	81	131
1402 Interest receivable	2	3
1499 Net present value of assets related to direct loans	83	134
1999 Total assets	85	141
LIABILITIES:		
2101 Federal liabilities: Accounts payable	85	141
2999 Total liabilities	85	141
4999 Total liabilities and net position	85	141

DISTANCE LEARNING AND TELEMEDICINE GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4361-0-3-451	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
22.00 New financing authority (gross)		2	
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)		2	
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		—2	
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		—2	

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4361-0-3-451	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders			
2131 Guaranteed loan commitments exempt from limitation		79	30
2150 Total guaranteed loan commitments		79	30
2199 Guaranteed amount of guaranteed loan commitments		79	30
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			79
2231 Disbursements of new guaranteed loans		79	30
2251 Repayments and prepayments			—2
2290 Outstanding, end of year		79	107
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		79	107

LOCAL TELEVISION LOAN GUARANTEE PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

Program and Financing (in millions of dollars)

Identification code 12-1233-0-1-452	2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	88	88	.....
22.00 New budget authority (gross)		—88	.....
23.90 Total budgetary resources available for obligation	88	.....	.....
24.40 Unobligated balance carried forward, end of year	88	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced		—8	.....
Mandatory:			
60.36 Unobligated balance permanently reduced		—80	.....
70.00 Total new budget authority (gross)		—88	.....
Net budget authority and outlays:			
89.00 Budget authority		—88	.....
90.00 Outlays .....			.....

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005 rescinded the unused budget authority for this account and the 2006 President's Budget proposes no additional funds for the Local Television Loan Guarantee program.

RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4155-0-3-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
01.01 Interest on FFB borrowings	69	11	.....
10.00 Total new obligations (object class 43.0)	69	11	.....
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	77	76	.....
22.00 New budget authority (gross)	68	11	.....
22.40 Capital transfer to general fund		—76	.....
23.90 Total budgetary resources available for obligation	145	11	.....
23.95 Total new obligations	—69	—11	.....
24.40 Unobligated balance carried forward, end of year	76	.....	.....

New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	277	.....	.....
60.47 Portion applied to repay debt	—209	.....	.....
62.50 Appropriation (total mandatory)	68	.....	.....
69.00 Offsetting collections (cash)	473	244	229
69.27 Capital transfer to general fund .....	.....	—33	—229
69.47 Portion applied to repay debt	—473	—200	.....
69.90 Spending authority from offsetting collections (total mandatory) .....	.....	11	.....
70.00 Total new budget authority (gross)	68	11	.....
Change in obligated balances:			
72.40 Obligated balance, start of year	51	14	14
73.10 Total new obligations	69	11	.....
73.20 Total outlays (gross)	—106	—11	.....
74.40 Obligated balance, end of year	14	14	14
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	68	.....	.....
86.98 Outlays from mandatory balances	38	11	.....
87.00 Total outlays (gross)	106	11	.....
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Non-Federal sources	—343	—130	—122
88.40 Repayments of guaranteed loans purchased from investors .....	.....	—1	—1
88.40 Interest revenue	—127	—113	—106
88.40 Other	—3	.....	.....
88.90 Total, offsetting collections (cash)	—473	—244	—229
Net budget authority and outlays:			
89.00 Budget authority	—405	—233	—229
90.00 Outlays	—367	—233	—229

Status of Direct Loans (in millions of dollars)

Identification code 12-4155-0-3-452	2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	2,463	2,125	1,994
1232 Disbursements: Purchase of loans assets from the public	5	.....	.....
1251 Repayments: Repayments and prepayments	—343	—130	—122
Write-offs for default:			
1263 Direct loans	—2	—1	—1
1264 Other adjustments, net	2	.....	.....
1290 Outstanding, end of year	2,125	1,994	1,871

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4155-0-3-452	2004 actual	2005 est.	2006 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	51	41	36
2251 Repayments and prepayments	—10	—5	—4
2290 Outstanding, end of year	41	36	32
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	31	27	23

The Rural Development Insurance Fund (RDIF) was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419).

The fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities, and industrial development in rural areas. Communities unable to afford low interest loans for water and waste disposal facilities are also able to obtain water and waste disposal grants.

As required by the Federal Credit Reform Act of 1990, this account records, for these loan programs, all cash flows

to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in these programs is recorded in corresponding program accounts and financing accounts.

In 1994, these loan programs were administered by the Rural Development Administration. Under reorganization of the Department of Agriculture, the water and waste direct and guaranteed loan programs are administered by the Rural Utilities Service, the community facility direct and guaranteed loan programs are administered by the Rural Housing Service, and the business and industry direct and guaranteed loan programs are administered by the Rural Business-Cooperative Service.

Balance Sheet (in millions of dollars)

Identification code 12-4155-0-3-452	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	129	167
1201 Non-Federal assets: Investments in non-Federal securities, net	34	34
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	2,463	2,125
1602 Interest receivable	26	32
1603 Allowance for estimated uncollectible loans and interest (—)	—392	—330
1604 Direct loans and interest receivable, net	2,097	1,827
1699 Value of assets related to direct loans	2,097	1,827
1901 Other Federal assets: Other assets	5	5
1999 Total assets	2,260	2,033
LIABILITIES:		
Federal liabilities:		
2103 Debt	805	200
2104 Resources payable to Treasury	1,402	1,807
Non-Federal liabilities:		
2202 Interest payable	51	14
2204 Liabilities for loan guarantees	2	5
2207 Other	7	7
2999 Total liabilities	2,260	2,033
4999 Total liabilities and net position	2,260	2,033

RURAL COMMUNICATION DEVELOPMENT FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4142-0-3-452	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Interest on Treasury borrowing	2	.....	.....
10.00 Total new obligations (object class 43.0)	2	.....	.....
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	.....	.....
22.00 New budget authority (gross)	1	.....	.....
23.90 Total budgetary resources available for obligation	2	.....	.....
23.95 Total new obligations	—2	.....	.....
24.40 Unobligated balance carried forward, end of year .....	.....	.....	.....

New budget authority (gross), detail:

Mandatory:	
60.00 Appropriation	26
60.47 Portion applied to repay debt	—25
62.50 Appropriation (total mandatory)	1

Change in obligated balances:

72.40 Obligated balance, start of year	1	.....	.....
73.10 Total new obligations	2	.....	.....
73.20 Total outlays (gross)	—2	.....	.....
74.40 Obligated balance, end of year .....	.....	.....	.....

Credit accounts—Continued

RURAL COMMUNICATION DEVELOPMENT FUND LIQUIDATING
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4142-0-3-452	2004 actual	2005 est.	2006 est.
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1		
86.98 Outlays from mandatory balances	1		
87.00 Total outlays (gross)	2		
Net budget authority and outlays:			
89.00 Budget authority	1		
90.00 Outlays	3		

Status of Direct Loans (in millions of dollars)

Identification code 12-4142-0-3-452	2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	4	4	4
1251 Repayments: Repayments and prepayments .....	.....	.....	.....
1290 Outstanding, end of year	4	4	4

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4142-0-3-452	2004 actual	2005 est.	2006 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4	4	4
2251 Repayments and prepayments .....	.....	.....	.....
2290 Outstanding, end of year	4	4	4
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	4	3	3

The Rural Communication Development Fund was established pursuant to the Secretary's Memorandum No. 1988, approved May 22, 1979. No loans have been made through this account since 1992.

Balance Sheet (in millions of dollars)

Identification code 12-4142-0-3-452	2003 actual	2004 actual
ASSETS:		
1101 Federal assets: Fund balances with Treasury	2	
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:		
1601 Direct loans, gross	4	3
1602 Interest receivable	1	1
1603 Allowance for estimated uncollectible loans and interest (-)	-1	-1
1604 Direct loans and interest receivable, net	4	3
1699 Value of assets related to direct loans	4	3
1999 Total assets	6	3
LIABILITIES:		
Federal liabilities:		
2102 Interest payable	1	
2104 Resources payable to Treasury .....	.....	3
2203 Non-Federal liabilities: Debt	5	
2999 Total liabilities	6	3
4999 Total liabilities and net position	6	3

FOREIGN AGRICULTURAL SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$158,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), [**\$137,822,000**] **\$148,792,000**: *Provided*, That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1737) and the foreign assistance programs of the United States Agency for International Development. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

Program and Financing (in millions of dollars)

Identification code 12-2900-0-1-352	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Market access	32	33	36
00.02 Market development	36	37	39
00.03 Market intelligence	30	32	35
00.04 Financial marketing assistance	11	11	12
00.05 Long-term market and infrastructure development	27	28	30
09.00 Reimbursable program	82	71	71
10.00 Total new obligations	218	212	223
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	15	12	8
22.00 New budget authority (gross)	218	208	220
22.22 Unobligated balance transferred from other accounts	1 .....	.....	.....
23.90 Total budgetary resources available for obligation	234	220	228
23.95 Total new obligations	-218	-212	-223
23.98 Unobligated balance expiring or withdrawn	-3 .....	.....	.....
24.40 Unobligated balance carried forward, end of year	12	8	5
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	132	138	149
40.35 Appropriation permanently reduced	-1	-1 .....	.....
42.00 Transferred from other accounts	15 .....	.....	.....
43.00 Appropriation (total discretionary)	146	137	149
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	22	71	71
68.10 Change in uncollected customer payments from Federal sources (unexpired)	50 .....	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	72	71	71
70.00 Total new budget authority (gross)	218	208	220
Change in obligated balances:			
72.40 Obligated balance, start of year	37	38	42
73.10 Total new obligations	218	212	223
73.20 Total outlays (gross)	-200	-208	-220
73.40 Adjustments in expired accounts (net)	3 .....	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-50 .....	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired)	30 .....	.....	.....
74.40 Obligated balance, end of year	38	42	45
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	190	197	209
86.93 Outlays from discretionary balances	10	11	11
87.00 Total outlays (gross)	200	208	220

Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from: Federal sources	—55	—71	—71
Against gross budget authority only:			
Change in uncollected customer payments from Federal sources (unexpired)	—50	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts	33	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	146	137	149
90.00 Outlays	146	137	149

The mission of the Foreign Agricultural Service (FAS) is to open, expand and maintain global market opportunities through international trade, cooperation, and sustainable development activities which secure the long-term economic vitality and global competitiveness of America's rural communities and related food and agricultural enterprises.

FAS conducts a demand-driven export strategy, deploying five major policy objectives to execute the strategy, while integrating commodity and country market priorities for allocating scarce export assistance resources. These objectives include:

Market access: FAS initiates, directs and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities, then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices of other countries that hinder U.S. agricultural exports to those markets. In virtually every foreign market, U.S. agricultural exports are subject to import duties and non-tariff trade restrictions. Trade information sent to Washington from FAS personnel overseas is used to map strategies for improving market access, pursuing U.S. rights under trade agreements, and developing programs and policies to make U.S. farm products more competitive.

Market development, promotion and outreach: FAS develops foreign markets for U.S. farm products through aggressive market expansion activities. It provides services to the U.S. and foreign agricultural trade sectors that are necessary to establish, build and maintain overseas markets for U.S. agricultural products. Public Law 83-690, approved August 28, 1954, includes authority to establish up to 25 Agricultural Trade Offices. Currently 16 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups and state export marketing officials in trade promotion. Promotional activities are carried out chiefly in cooperation with non-profit agricultural trade associations and firms on a cost-sharing basis. The largest of FAS's promotional programs are the Foreign Market Development Co-operator Program and Market Access Program. In addition, FAS sponsors U.S. participation in several major trade shows and a number of single-industry exhibitions each year. The Quality Samples Program provides samples of U.S. agricultural products to foreign importers to help overcome marketing trade barriers. These programs are designed to create demand for U.S. agricultural products in foreign markets, introduce U.S. food and agricultural products to potential foreign customers, and show foreign customers how to use U.S. products.

FAS strategic outreach efforts focus on facilitating export readiness and help link both export-ready and new-to-export firms to market entry opportunities, and increase domestic awareness of export opportunities/global consumer quality and product safety expectations. These efforts are designed to strengthen the export knowledge/skills of producers and exporters so they can compete more effectively in the international marketplace. Outreach also includes targeting for

foreign buyers in educating them about the merits of U.S. products and how they can be purchased.

Market intelligence: FAS provides U.S. farmers and traders with information on world agricultural production and trade that they can use to adjust to changes in world demand for U.S. agricultural products. This is done through a continuous program of reporting by 62 posts located throughout the world covering some 130 countries. Reporting includes information and/or data on foreign government policies, analysis of supply and demand conditions, commercial trade relationships and market opportunities. FAS analyzes agricultural information essential to the assessment of foreign supply and demand conditions in order to provide estimates of the current situation and to forecast the export potential for specific U.S. agricultural commodities.

Financial marketing assistance: FAS administers a number of price/credit and risk assistance programs designed to leverage overseas market expansion for U.S. agricultural, fish, and forest products. These programs include CCC Export Credit Guarantee Programs, the Export Enhancement Program, and Dairy Export Incentive Program. These programs are designed to help developing nations make the transition from concessional financing to cash purchases, give U.S. producers the ability to counter export subsidies of foreign competitors and allow U.S. exporters to compete with sales terms offered by foreign competitors.

Long-term market and infrastructure development: FAS promotes trade capacity building, fosters world food security, and deploys USDA resources and expertise to advance market-based policies, trade and investment, sustainable agricultural systems, and agricultural research and education in developing countries and emerging markets. FAS also provides linkages to worldwide agricultural resources and international organizations to gain access to emerging technologies that can help create new U.S. agricultural products and markets. Direct program activities include administering the Cochran Fellowship Program and managing USDA's bilateral exchange and cooperative research programs with foreign governments and institutions. The Emerging Markets Program, which provides technical assistance and related activities, facilitates international agribusiness relationships, enhances food systems in developing and transitional countries, and helps expand U.S. agricultural exports.

FAS also administers food assistance activities such as Public Law 480, Title I; Food for Progress; Section 416(b); and the McGovern-Dole International Food for Education and Child Nutrition Program. P.L. 480 Title I food aid is designed to help developing nations make the transition from donations and concessional financing to cash purchases while not displacing expected commercial sales. Food for Progress provides food to developing countries and emerging democracies that have made commitments to introduce or expand free enterprise into their agricultural economies. Section 416(b) provides overseas donations of surplus commodities owned by the CCC to assist developing and friendly countries. The International Food for Education Program provides for the donation of U.S. agricultural commodities and associated technical and financial assistance to carry out preschool and school feeding programs in foreign countries.

At the request of the Agency for International Development, international organizations and foreign governments, technical assistance and training in agriculture and rural development are provided on a reimbursable or advance of funds basis.

Object Classification (in millions of dollars)

Identification code 12-2900-0-1-352	2004 actual	2005 est.	2006 est.
<i>Direct obligations:</i>			
Personnel compensation:			
11.1 Full-time permanent	55	62	64

General and special funds—Continued**SALARIES AND EXPENSES**—Continued**(INCLUDING TRANSFERS OF FUNDS)**—Continued**Object Classification** (in millions of dollars)—Continued

Identification code 12-2900-0-1-352		2004 actual	2005 est.	2006 est.
11.3	Other than full-time permanent	3	4	4
11.5	Other personnel compensation	1	1	1
11.8	Special personal services payments	2	3	3
11.9	Total personnel compensation	61	70	72
12.1	Civilian personnel benefits	17	19	19
21.0	Travel and transportation of persons	5	4	4
22.0	Transportation of things	1	1	1
23.2	Rental payments to others	7	8	8
23.3	Communications, utilities, and miscellaneous charges	1	1	1
24.0	Printing and reproduction	1	1	1
25.2	Other services	39	33	42
25.8	Subsistence and support of persons	1	2	2
26.0	Supplies and materials	2	1	1
31.0	Equipment	1	1	1
99.0	Direct obligations	136	141	152
99.0	Reimbursable obligations	82	71	71
99.9	Total new obligations	218	212	223

Personnel Summary

Identification code 12-2900-0-1-352		2004 actual	2005 est.	2006 est.
Direct:				
1001	Total compensable workyears: Civilian full-time equivalent employment	834	812	792
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment	191	190	190

TRADE ADJUSTMENT ASSISTANCE FOR FARMERS**Program and Financing** (in millions of dollars)

Identification code 12-1406-0-1-351		2004 actual	2005 est.	2006 est.
Obligations by program activity:				
00.01	Payments	61	90	90
00.02	Direct Program Activity	18	.....	.....
10.00	Total new obligations (object class 25.2)	79	90	90
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	90	90	90
23.95	Total new obligations	−79	−90	−90
23.98	Unobligated balance expiring or withdrawn	−11	.....	.....
New budget authority (gross), detail:				
60.00	Mandatory:			
60.00	Appropriation	90	90	90
Change in obligated balances:				
72.40	Obligated balance, start of year .....	.....	35	35
73.10	Total new obligations	79	90	90
73.20	Total outlays (gross)	−79	−90	−90
73.40	Adjustments in expired accounts (net)	35	.....	.....
74.40	Obligated balance, end of year	35	35	35
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	79	90	90
Net budget authority and outlays:				
89.00	Budget authority	90	90	90
90.00	Outlays	79	90	90

Trade Adjustment Assistance for farmers (TAA) is authorized by Title II of the Trade Act of 1974 as amended by Subtitle C of Title I of the Trade Act of 2002. The statute

authorizes appropriations to the Department of Agriculture not to exceed \$90 million for each of the fiscal years 2003 through 2007 to carry out the program.

The statute requires the Secretary of Agriculture to provide funds to eligible agricultural producers when: (a) the current year's price of an agricultural commodity is less than 80 percent of the national average price for such commodity for the five marketing years preceding the most recent market year; and (b) increases in imports contributed importantly to the decline in the price, as determined by the Secretary.

TAA provides producers of raw commodities, who have been adversely affected by import competition, free technical assistance and cash benefits of up to \$10,000 per year.

TAA covers farmers, ranchers, fish farmers, and fishermen competing with imported aquaculture products. It does not cover the forest products industry.

SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)**Program and Financing** (in millions of dollars)

Identification code 12-1404-0-1-352		2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	2	1	1
24.40	Unobligated balance carried forward, end of year	1	1	1
Change in obligated balances:				
73.20	Total outlays (gross) .....	.....	−1	.....
Outlays (gross), detail:				
86.93	Outlays from discretionary balances .....	.....	1	.....
Net budget authority and outlays:				
89.00	Budget authority .....	.....	.....	.....
90.00	Outlays .....	.....	.....	.....

As authorized by the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, USDA uses foreign currencies to support research on problems of mutual interest to the United States and participating foreign countries. After 1991 no new foreign currency programs have been, or are proposed to be, initiated.

FOREIGN ASSISTANCE PROGRAMS

USDA has multiple food aid programs that provide U.S. commodities, technical and financial assistance to address hunger and malnutrition needs worldwide. USDA, working with USAID, delivers food aid programs to meet emergency needs and fosters economic development activities to alleviate global food insecurity.

Included in this category are the following activities carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83rd Congress, as amended (P.L. 480): Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under sec. 104 (title I); for dispositions abroad (titles II and III); and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended. Agreements may provide for commodities to be made available on a multi-year basis. During 2003, USDA began implementation of the McGovern-Dole International Food for Education and Child Nutrition Program authorized by the 2002 Farm Bill. USDA also has a commodity reserve in the Bill Emerson Humanitarian Trust for unanticipated, emergency food aid needs.

SUMMARY OF FOOD ASSISTANCE PROGRAMMING

[In millions of dollars]

	2004 actual	2005 est.	2006 est.
McGovern-Dole International Food for Education and Child Nutrition	50	91	106
Public Law 480			
Title I Credit	49	50	45
Title II Grants	1,655	1,346	* 964
Food for Progress			
CCC Funded	138	141	137
P.L. 480 Title I Funded	105	95	100
CCC Surplus Commodity Donations (416)	173	147	151
Bill Emerson Humanitarian Trust	225		

* \$300 million of additional emergency food aid funding in International Disaster and Famine Assistance.

McGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM GRANTS

For necessary expenses to carry out the provisions of section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1), [\$87,500,000] \$100,000,000, to remain available until expended: *Provided*, That the Commodity Credit Corporation is authorized to provide the services, facilities, and authorities for the purpose of implementing such section, subject to reimbursement from amounts provided herein. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-2903-0-1-151	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 McGovern-Dole International Food for Education & Child Nutrition Program	50	87	100
09.00 Reimbursable program	4	6	
10.00 Total new obligations	50	91	106
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
22.00 New budget authority (gross)	50	91	106
23.90 Total budgetary resources available for obligation	50	92	107
23.95 Total new obligations	–50	–91	–106
24.40 Unobligated balance carried forward, end of year	1	1	1
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	50	88	100
40.35 Appropriation permanently reduced		–1	
43.00 Appropriation (total discretionary)	50	87	100
Mandatory:			
69.00 Offsetting collections (cash)		4	6
70.00 Total new budget authority (gross)	50	91	106
Change in obligated balances:			
72.40 Obligated balance, start of year	100		3
73.10 Total new obligations	50	91	106
73.20 Total outlays (gross)	–150	–88	–100
74.40 Obligated balance, end of year		3	9
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	50	87	100
86.98 Outlays from mandatory balances	100	1	
87.00 Total outlays (gross)	150	88	100
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources		–4	–6
Net budget authority and outlays:			
89.00 Budget authority	50	87	100
90.00 Outlays	149	84	94

The Farm Security and Rural Investment Act of 2002 (Public Law 107-171) authorizes the McGovern-Dole International Food for Education and Child Nutrition Program. The pro-

gram provides for the donation of U.S. agricultural commodities and associated technical and financial assistance to carry out preschool and school feeding programs in foreign countries in order to improve food security, reduce the incidence of hunger and malnutrition, and improve literacy and primary education. Maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children also are authorized.

Object Classification (in millions of dollars)

Identification code 12-2903-0-1-151	2004 actual	2005 est.	2006 est.
41.0 Direct obligations: Grants, subsidies, and contributions	50	87	100
99.0 Reimbursable obligations: Reimbursable obligations	4	6	
99.9 Total new obligations	50	91	106

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS
(INCLUDING TRANSFER OF FUNDS)

For ocean freight differential costs for the shipment of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954 and under the Food for Progress Act of 1985, [\$22,723,000] \$11,940,000, to remain available until expended: *Provided*, That funds made available for the cost of agreements under title I of the Agricultural Trade Development and Assistance Act of 1954 and for title I ocean freight differential may be used interchangeably between the two accounts with prior notice to the Committees on Appropriations of both Houses of Congress. (7 U.S.C. 1701b, 2209b.; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-2271-0-1-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 P.L. 480 grant—Title I: Ocean freight differential (OFD)	24	23	12
09.00 Reimbursable program	18		
10.00 Total new obligations	42	23	12
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	20	54	
22.00 New budget authority (gross)	53	48	26
22.21 Unobligated balance transferred to other accounts		–79	–14
22.22 Unobligated balance transferred from other accounts	23		
23.90 Total budgetary resources available for obligation	96	23	12
23.95 Total new obligations	–42	–23	–12
24.40 Unobligated balance carried forward, end of year	54		
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	28	23	12
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	12		
68.10 Change in uncollected customer payments from Federal sources (unexpired)	13		
68.90 Spending authority from offsetting collections (total discretionary)	25		
Mandatory:			
69.00 Offsetting collections (cash)		25	14
70.00 Total new budget authority (gross)	53	48	26
Change in obligated balances:			
72.40 Obligated balance, start of year	5	1	–4
73.10 Total new obligations	42	23	12
73.20 Total outlays (gross)	–33	–28	–33
74.40 Change in uncollected customer payments from Federal sources (unexpired)	–13		
74.40 Obligated balance, end of year	1	–4	–25
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	14	13	7

PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS—
Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-2271-0-1-351	2004 actual	2005 est.	2006 est.
86.93 Outlays from discretionary balances	19	1	9
86.97 Outlays from new mandatory authority .....	.....	14	8
86.98 Outlays from mandatory balances .....	.....	.....	9
87.00 Total outlays (gross)	33	28	33
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-12	-25	-14
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-13	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	28	23	12
90.00 Outlays	20	3	19

This account funds the title I ocean freight differential program.

Object Classification (in millions of dollars)

Identification code 12-2271-0-1-351	2004 actual	2005 est.	2006 est.
41.0 Direct obligations: Grants, subsidies, and contributions	24	23	12
99.0 Reimbursable obligations: Reimbursable obligations ...	18	.....	.....
99.9 Total new obligations	42	23	12

PUBLIC LAW 480 TITLE II GRANTS

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, for commodities supplied in connection with dispositions abroad under title II of said Act, **[\$1,182,501,000]** notwithstanding section 204 of said Act, **[\$885,000,000]**, to remain available until expended. (7 U.S.C. 1691, 1721-26a, 1727-27e, 1731-36g-3, 1737, 2209b; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-2278-0-1-151	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.02 Title II	1,476	1,191	885
09.01 Reimbursable program	128	173	79
10.00 Total new obligations	1,604	1,364	964
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	448	305	105
22.00 New budget authority (gross)	1,304	1,174	964
22.10 Resources available from recoveries of prior year obligations	180	.....	.....
22.21 Unobligated balance transferred to other accounts	-23	-10	.....
23.90 Total budgetary resources available for obligation	1,909	1,469	1,069
23.95 Total new obligations	-1,604	-1,364	-964
24.40 Unobligated balance carried forward, end of year	305	105	105

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	1,192	1,183	885
40.35 Appropriation permanently reduced	-7	-9	.....
41.00 Transferred to other accounts	-10	.....	.....
42.00 Transferred from other accounts	1	.....	.....
43.00 Appropriation (total discretionary)	1,176	1,174	885
Mandatory:			
69.00 Offsetting collections (cash)	276	173	79

69.10 Change in uncollected customer payments from Federal sources (unexpired)	-148	-173	.....
69.90 Spending authority from offsetting collections (total mandatory)	128	.....	79
70.00 Total new budget authority (gross)	1,304	1,174	964

Change in obligated balances:

72.40 Obligated balance, start of year	950	711	934
73.10 Total new obligations	1,604	1,364	964
73.20 Total outlays (gross)	-1,811	-1,314	-1,327
73.45 Recoveries of prior year obligations	-180	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	148	173	.....
74.40 Obligated balance, end of year	711	934	571

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	676	616	465
86.93 Outlays from discretionary balances	1,135	607	768
86.98 Outlays from mandatory balances .....	.....	91	94
87.00 Total outlays (gross)	1,811	1,314	1,327

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-276	-173	-79
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	148	173	.....

Net budget authority and outlays:

89.00 Budget authority	1,176	1,174	885
90.00 Outlays	1,535	1,141	1,248

Performance Metrics

Identification code 12-2278-0-1-151	2004 actual	2005 est.	2006 est.
Public Law 480 Title II Food Aid:			
39001 Emergency Food Aid: Meet Critical Food Needs of Targeted Groups	94%	.....	.....
39002 Development Food Aid: Increased effectiveness of FFP's partners in carrying out Title II development activities with measurable results related to food security with a primary focus	61%	.....	.....
39003 Emergency Food Aid: % of targeted population reached by food aid .....	.....	.....	.....
39004 Emergency Food Aid: % of programs reporting improved or maintained nutritional status	89%	.....	.....

This account funds the non-credit components of Public Law 480. Under title II, agricultural commodities are furnished to meet famine or other emergency relief needs, combat malnutrition, carry out activities to alleviate the causes of hunger, mortality and morbidity, promote economic and community development, promote sound environmental practices, and carry out feeding programs. Agricultural commodities are provided through governments for emergencies only, and for non-emergencies through public and private agencies, including intergovernmental organizations.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery at U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to points of entry other than ports in the case of landlocked countries, where carriers to a specific country are not available, where ports cannot be used effectively, or where a substantial savings in costs or time can be effected, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available under this title for non-emergency assistance for least-developed countries and for urgent and extraordinary relief.

For 2006, \$300 million that was previously requested for P.L. 480 Title II is being requested under International Disaster and Famine Assistance for emergency food aid needs.

Object Classification (in millions of dollars)			
Identification code 12-2278-0-1-151	2004 actual	2005 est.	2006 est.
41.0 Direct obligations: Grants, subsidies, and contributions	1,476	1,191	885
99.0 Reimbursable obligations: Reimbursable obligations ...	128	173	79
99.9 Total new obligations	1,604	1,364	964

Credit accounts:

PUBLIC LAW 480 TITLE I DIRECT CREDIT AND FOOD FOR PROGRESS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of agreements under the Agricultural Trade Development and Assistance Act of 1954, and the Food for Progress Act of 1985, including the cost of modifying credit arrangements under said Acts, **[\$94,198,000]** **\$65,040,000**, to remain available until expended: *Provided*, That the Secretary of Agriculture may implement a commodity monetization program under existing provisions of the Food for Progress Act of 1985 to provide no less than \$5,000,000 in local-currency funding support for rural electrification development overseas.

In addition, for administrative expenses to carry out the credit program of title I, Public Law 83-480, and the Food for Progress Act of 1985, to the extent funds appropriated for Public Law 83-480 are utilized, **[\$4,034,000]** **\$3,385,000**, of which **[\$1,097,000]** **\$168,000** may be transferred to and merged with the appropriation for "Foreign Agricultural Service, Salaries and Expenses", and of which **[\$2,937,000]** **\$3,217,000** may be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses". (7 U.S.C. 1691, 1701-04, 1731-36g-3, 2209b.; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

General Fund Credit Receipt Accounts (in millions of dollars)

Identification code 12-2277-0-1-351	2004 actual	2005 est.	2006 est.
0108 Negative subsidies/subsidy reestimates	22	69	.....

Program and Financing (in millions of dollars)

Identification code 12-2277-0-1-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct credit subsidy	23	27	24
00.05 Re-estimates of subsidy	48	4	.....
00.06 Interest on re-estimates	18	4	.....
00.09 Administrative expenses	2	4	3
00.10 Food for Progress Grants	154	90	95
10.00 Total new obligations	245	129	122

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	296	237	91
22.00 New budget authority (gross)	186	-86	68
22.21 Unobligated balance transferred to other accounts .....	.....	-10	.....
22.22 Unobligated balance transferred from other accounts .....	.....	79	14
23.90 Total budgetary resources available for obligation	482	220	173
23.95 Total new obligations	-245	-129	-122
24.40 Unobligated balance carried forward, end of year	237	91	51

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	107	98	68
40.35 Appropriation permanently reduced	-1	-1	.....
40.36 Unobligated balance permanently reduced .....	.....	-191	.....
41.00 Transferred to other accounts	-11	.....	.....
43.00 Appropriation (total discretionary)	95	-94	68
Mandatory:			
60.00 Appropriation	66	8	.....

68.00 Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	25	.....	.....
70.00 Total new budget authority (gross)	186	-86	68

Change in obligated balances:

72.40 Obligated balance, start of year	75	125	180
73.10 Total new obligations	245	129	122
73.20 Total outlays (gross)	-195	-74	-75

74.40 Obligated balance, end of year	125	180	227
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Outlays (gross), detail:

86.90 Outlays from new discretionary authority	27	57	40
86.93 Outlays from discretionary balances	102	9	35
86.97 Outlays from new mandatory authority	66	8	.....
87.00 Total outlays (gross)	195	74	75

Offsets:

88.00 Offsetting collections (cash) from: Federal sources	-25
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Net budget authority and outlays:

89.00 Budget authority	161	-86	68
90.00 Outlays	169	74	75

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2277-0-1-351	2004 actual	2005 est.	2006 est.
Direct loan levels supportable by subsidy budget authority:			
115001 P. L. 480 title I loans	39	48	43
115901 Total direct loan levels	39	48	43
Direct loan subsidy (in percent):			
132001 P. L. 480 title I loans	58.08	55.98	55.40
132901 Weighted average subsidy rate	58.08	55.98	55.40
Direct loan subsidy budget authority:			
133001 P. L. 480 title I loans	23	27	24
133901 Total subsidy budget authority	23	27	24
Direct loan subsidy outlays:			
134001 P. L. 480 title I loans	34	24	25
134901 Total subsidy outlays	34	24	25
135001 P. L. 480 title I loans	66	8	.....
135901 Total upward reestimate budget authority	66	8	.....
Direct loan downward reestimate subsidy budget authority:			
137001 P. L. 480 title I loans	-104	-69	.....
137901 Total downward reestimate budget authority	-104	-69	.....
Administrative expense data:			
351001 Budget authority	2	4	3
359001 Outlays from new authority	2	4	3

As required by the Federal Credit Reform Act of 1990, this account records, for the P.L. 480 Program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligation in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses and grants are estimated on a cash basis.

Object Classification (in millions of dollars)

Identification code 12-2277-0-1-351	2004 actual	2005 est.	2006 est.
25.3 Other purchases of goods and services from Government accounts	2	4	3
41.0 Grants, subsidies, and contributions	243	125	119
99.9 Total new obligations	245	129	122

Credit accounts—Continued

P.L. 480 DIRECT CREDIT FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4049-0-3-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct loans			
00.02 Interest on Treasury borrowing	39	48	43
00.02 Interest on Treasury borrowing	120	203	48
00.91 Direct Program by Activities—Subtotal (1 level)	159	251	91
08.02 Payment of downward reestimate to receipt account	59	47	.....
08.04 Payment of interest on downward reestimate to receipt account	45	22	.....
08.91 Direct Program by Activities—Subtotal (1 level)	104	69	.....
10.00 Total new obligations	263	320	91
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	674	1,316	.....
22.00 New financing authority (gross)	905	648	435
22.60 Portion applied to repay debt .....	.....	−1,644	−344
23.90 Total budgetary resources available for obligation	1,579	320	91
23.95 Total new obligations	−263	−320	−91
24.40 Unobligated balance carried forward, end of year	1,316	.....	.....
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	551	293	67
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	.....	355	368
Mandatory:			
69.00 Offsetting collections (cash)	373	.....	.....
69.10 Change in uncollected customer payments from Federal sources (unexpired)	−19	.....	.....
69.90 Spending authority from offsetting collections (total mandatory)	354	.....	.....
70.00 Total new financing authority (gross)	905	648	435
Change in obligated balances:			
72.40 Obligated balance, start of year	7	5	21
73.10 Total new obligations	263	320	91
73.20 Total financing disbursements (gross)	−284	−304	−90
74.00 Change in uncollected customer payments from Federal sources (unexpired)	19	.....	.....
74.40 Obligated balance, end of year	5	21	22
87.00 Total financing disbursements (gross)	284	304	90
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	−127	−32	−25
88.25 Interest on uninvested funds	−57	−100	−100
88.40 Interest received on loans	−54	−66	−63
88.40 Non-Federal sources: other	−5	.....	.....
88.40 Principal received on loans	−130	−157	−180
88.90 Total, offsetting collections (cash)	−373	−355	−368
Against gross financing authority only:			
88.95 Change in receivables from program accounts	19	.....	.....
Net financing authority and financing disbursements:			
89.00 Financing authority	551	293	67
90.00 Financing disbursements	−88	−51	−278

Status of Direct Loans (in millions of dollars)

Identification code 12-4049-0-3-351	2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1111 Limitation on direct loans	39	48	43
1150 Total direct loan obligations	39	48	43
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	2,647	2,483	2,358

1231 Disbursements: Direct loan disbursements	60	32	42
1251 Repayments: Repayments and prepayments	−130	−157	−180
1264 Write-offs for default: Other adjustments, net	−94	.....	.....
1290 Outstanding, end of year	2,483	2,358	2,220

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4049-0-3-351	2003 actual	2004 actual
ASSETS:		
Federal assets:		
1101 Fund balances with Treasury	130	770
Investments in US securities:		
1106 Receivables, net	128	50
Net value of assets related to post-1991 direct loans receivable:		
1401 Direct loans receivable, gross	2,647	2,483
1402 Interest receivable	102	109
1405 Allowance for subsidy cost (−)	−1,670	−1,422
1499 Net present value of assets related to direct loans		
1499 Total assets	1,079	1,170
LIABILITIES:		
Federal liabilities:		
2101 Accounts payable	50	63
2102 Interest payable	2	79
2103 Debt	204	46
2104 Resources payable to Treasury	1,061	1,802
2105 Other	20	.....
2999 Total liabilities	1,337	1,990
4999 Total liabilities and net position	1,337	1,990

DEBT REDUCTION—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4143-0-3-351	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.02 Interest to Treasury	5	5	5
08.02 Payment of downward reestimate to receipt account	48	107	.....
08.03 Payments to financing and liquidating accounts for debt reduction	219	68	.....
08.04 Payment of interest on downward reestimate to receipt account	6	14	.....
08.91 Direct Program by Activities—Subtotal (1 level)	273	189	.....
10.00 Total new obligations	278	194	5
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	238	21	.....
22.00 New financing authority (gross)	62	227	34
22.60 Portion applied to repay debt .....	.....	−54	−29
23.90 Total budgetary resources available for obligation	300	194	5
23.95 Total new obligations	−278	−194	−5
24.40 Unobligated balance carried forward, end of year	21	.....	.....

New financing authority (gross), detail:

67.10 Authority to borrow	25	132	.....
Discretionary:			
68.10 Spending authority from offsetting collections: Change in uncollected customer payments from Federal sources (unexpired)	−1	.....	.....
69.00 Offsetting collections (cash)	22	34	34

69.00	Offsetting collections (debt reduction/upwards re-estimate)	16	61	.....
69.90	Spending authority from offsetting collections (total mandatory)	38	95	34
70.00	Total new financing authority (gross)	62	227	34

Change in obligated balances:

72.40	Obligated balance, start of year	14	.....	.....
73.10	Total new obligations	278	194	5
73.20	Total financing disbursements (gross)	−293	−194	−5
74.00	Change in uncollected customer payments from Federal sources (unexpired)	1	.....	.....
74.40	Obligated balance, end of year	293	194	5
87.00	Total financing disbursements (gross)	293	194	5

Offsets:

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources—Subsidy from Debt account	−16	−61	.....	.....
Interest on uninvested funds	−9	.....	.....	.....
Loan Repayments—Principal	−8	−21	−21	.....
Loan Repayments- Interest	−4	−13	−13	.....
Non-Federal sources	−1	.....	.....	.....
88.90 Total, offsetting collections (cash)	−38	−95	−34	.....
Against gross financing authority only:				
88.95 Change in receivables from program accounts	1	.....	.....	.....

Net financing authority and financing disbursements:

89.00	Financing authority	25	132	.....
90.00	Financing disbursements	255	99	−29

Status of Direct Loans (in millions of dollars)

Identification code 12-4143-0-3-351		2004 actual	2005 est.	2006 est.
Position with respect to appropriations act limitation on obligations:				
1111 Limitation on direct loans .....	.....	.....	.....	.....
1150 Total direct loan obligations .....	.....	.....	.....	.....
Cumulative balance of direct loans outstanding:				
1210 Outstanding, start of year	334	525	561	.....
1233 Disbursements: Purchase of loans assets from a liquidating account	351	68	.....	.....
1251 Repayments: Repayments and prepayments	−8	−21	−21	.....
1261 Adjustments: Capitalized interest	2	.....	.....	.....
1263 Write-offs for default: Direct loans	−154	−11	.....	.....
1290 Outstanding, end of year	525	561	540	.....

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4143-0-3-351		2003 actual	2004 actual
ASSETS:			
Federal assets:			
1101 Fund balances with Treasury	231	.....	.....
Investments in US securities:			
1106 Receivables, net	11	46	.....
Net value of assets related to post-1991 direct loans receivable:			
1401 Direct loans receivable, gross	334	525	.....
1402 Interest receivable .....	.....	18	.....
1405 Allowance for subsidy cost (−)	−215	−399	.....
1499 Net present value of assets related to direct loans	119	144	.....
1999 Total assets	361	190	.....
LIABILITIES:			
Federal liabilities:			
2103 Debt	71	96	.....

EXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS, AGRICULTURE LIQUIDATING ACCOUNT**Program and Financing (in millions of dollars)**

Identification code 12-2274-0-1-151		2004 actual	2005 est.	2006 est.
Obligations by program activity:				
00.01	Direct Program Activity	2	.....	.....
10.00	Total new obligations (object class 41.0)	2	.....	.....
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	89	60	.....
22.00	New budget authority (gross)	62	.....	.....
22.40	Capital transfer to general fund	−89	−60	.....
23.90	Total budgetary resources available for obligation	62	.....	.....
23.95	Total new obligations	−2	.....	.....
24.40	Unobligated balance carried forward, end of year	60	.....	.....
New budget authority (gross), detail:				
69.00	Offsetting collections (cash) (Principal and interest)	663	466	451
69.90	Offsetting collections (Debt Reduction)	21	.....	.....
69.10	Change in uncollected customer payments from Federal sources (unexpired)	−1	.....	.....
69.27	Capital transfer to general fund	−600	−487	−451
69.90	Spending authority from offsetting collections (total mandatory)	62	.....	.....
Change in obligated balances:				
72.40	Obligated balance, start of year	−1	−1	−1
73.10	Total new obligations	2	.....	.....
73.20	Total outlays (gross)	−3	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	1	.....	.....
74.40	Obligated balance, end of year	−1	−1	−1
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	3	.....	.....
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources—debt reduction	−193	−21	.....	.....
Principal and interest collections	−1	.....	.....	.....
Principal Collections	−303	−312	−310	.....
Interest Collections	−166	−154	−141	.....
88.90 Total, offsetting collections (cash)	−663	−487	−451	.....
Against gross budget authority only:				
88.95 Change in uncollected customer payments from Federal sources (unexpired)	1	.....	.....	.....
Net budget authority and outlays:				
89.00	Budget authority	−600	−487	−451
90.00	Outlays	−660	−487	−451
Status of Direct Loans (in millions of dollars)				
Identification code 12-2274-0-1-151		2004 actual	2005 est.	2006 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	7,545	6,244	5,911
1251	Repayments: Repayments and prepayments	−303	−312	−310
1261	Adjustments: Capitalized interest	133	.....	.....
1263	Write-offs for default: Direct loans	−934	.....	.....
1264	Payments from USDA debt reduction financing account	−195	−21	.....
1264	Other adjustments, net	−2	.....	.....
1290	Outstanding, end of year	6,244	5,911	5,601

Credit accounts—Continued**EXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS,
AGRICULTURE LIQUIDATING ACCOUNT—Continued**

Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under sec. 104; and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Funds appropriated for P.L. 480 are used to finance all sales made pursuant to agreements concluded under the authority of Title I.

Financing sales of agricultural commodities for dollars on credit terms (title I).—Sales are made to developing countries as defined in section 402(4) of P.L. 480 and must not displace expected commercial sales (secs. 403(e) and (h)). Agreements are made with developing countries for delivery in accordance with the terms of the agreement.

Payment by developing countries or private entities may be made over a period of not more than 30 years with a deferral of principal payments for up to 5 years. Interest accrues at a concessional rate as determined appropriate.

Section 411 of P.L. 480 authorizes the President to waive payments of principal and interest under dollar credit sales agreements for countries that meet certain enumerated requirements. Such debt relief may be provided only if the President notifies Congress and may not exceed the amount approved for such purpose in an Act appropriating funds to carry out P.L. 480.

Financing sales of agricultural commodities for local currency, including for local currency on credit terms.—Payment by a recipient country may be made in local currencies for use in carrying out activities under section 104 of P.L. 480.

Foreign currency received in payment for credit extended may be used for payment of U.S. obligations abroad, subject to the appropriation process. The P.L. 480 program is reimbursed for the dollar value of currencies so used.

The financing of sales of agricultural commodities for local currencies on credit terms is subject to the same terms that are applicable to dollar credit financing.

Furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Funds appropriated to carry out title I may be used to furnish commodities to carry out the Food for Progress Act of 1985. Such commodities may be furnished on credit terms or on a grant basis in order to assist developing countries and countries that are emerging democracies that have made a commitment to introduce and expand free enterprise elements in their agricultural economies.

Commodities supplied in connection with dispositions abroad (title II).—Under title II, agricultural commodities are furnished to meet famine or other emergency relief needs, combat malnutrition, carry out activities to alleviate the causes of hunger, mortality and morbidity, promote economic and community development, promote sound environmental practices, and carry out feeding programs. Agricultural commodities are provided through governments for emergencies only, and for non-emergencies through public and private agencies, including intergovernmental organizations.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery at U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to points of entry other than ports in the case of landlocked countries, where carriers to a specific country are not available, where ports cannot be used effectively, or where a substantial savings in costs or time can be effected, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be

paid for commodities made available to meet urgent and extraordinary relief requirements. P.L. 480 funds reimburse the Corporation for all of the cost items authorized above.

Balance Sheet (in millions of dollars)

Identification code 12-2274-0-1-151		2003 actual	2004 actual
ASSETS:			
1101	Federal assets: Fund balances with Treasury	89	60
	Net value of assets related to pre-1992		
	direct loans receivable and ac- quired defaulted guaranteed loans		
	receivable:		
1601	Direct loans, gross	7,545	6,244
1602	Interest receivable	679	661
1603	Allowance for estimated uncollectible loans and interest (—)	—4,649	—2,890
1699	Value of assets related to direct loans	3,575	4,015
1999	Total assets	3,664	4,075
LIABILITIES:			
2104	Federal liabilities: Resources payable to Treasury	3,639	3,444
2207	Non-Federal liabilities: Other	25	631
2999	Total liabilities	3,664	4,075
NET POSITION:			
3999	Total net position .....	.....	.....
4999	Total liabilities and net position	3,664	4,075

MISCELLANEOUS CONTRIBUTED FUNDS**Unavailable Receipts (in millions of dollars)**

Identification code 12-8232-0-7-352		2004 actual	2005 est.	2006 est.
Receipts:				
02.20	Deposits of miscellaneous contributed funds, Inter- national coope	4	4	4
05.00	Appropriations: Miscellaneous contributed funds	—4	—4	—4
07.99	Balance, end of year .....	.....	.....	.....

Program and Financing (in millions of dollars)

Identification code 12-8232-0-7-352		2004 actual	2005 est.	2006 est.
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	2	2	6
22.00	New budget authority (gross)	4	4	4
23.90	Total budgetary resources available for obligation	2	6	10
24.40	Unobligated balance carried forward, end of year	2	6	10
New budget authority (gross), detail:				
60.26	Mandatory: Appropriation (trust fund)	4	4	4
Change in obligated balances:				
72.40	Obligated balance, start of year .....	.....	.....	—4
73.20	Total outlays (gross) .....	.....	—4	—4
74.40	Obligated balance, end of year	—4	—8	—8
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	4	4	4
Net budget authority and outlays:				
89.00	Budget authority	4	4	4
90.00	Outlays	4	4	4

Miscellaneous funds are received from other Federal agencies, international organizations, and developing countries, for USDA development assistance and international research projects (22 U.S.C. 2392).

FOOD AND NUTRITION SERVICE

Federal Funds

General and special funds:

NUTRITION PROGRAMS ADMINISTRATION

For necessary administrative expenses of the domestic nutrition assistance programs funded under this Act, **[\$139,937,000]**, of which **\$5,000,000** shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp benefit delivery, and assisting in the prevention, identification, and prosecution of fraud and other violations of law **[\$140,761,000]**. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-3508-0-1-605	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
Direct program:			
00.01 Nutrition programs administration	138	139	141
00.03 Congressional hunger center fellowships	3	2	.....
09.01 Reimbursable administrative services provided to Federal agencies	1	1	1
10.00 Total new obligations	142	142	142
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	141	142	142
23.95 Total new obligations	–142	–142	–142
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	141	142	141
40.35 Appropriation permanently reduced	–1	–1	.....
43.00 Appropriation (total discretionary)	140	141	141
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	141	142	142
Change in obligated balances:			
72.40 Obligated balance, start of year	20	28	23
73.10 Total new obligations	142	142	142
73.20 Total outlays (gross)	–133	–147	–142
74.40 Obligated balance, end of year	28	23	23
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	120	119	119
86.93 Outlays from discretionary balances	13	28	23
87.00 Total outlays (gross)	133	147	142
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	–1	–1	–1
Net budget authority and outlays:			
89.00 Budget authority	140	141	141
90.00 Outlays	131	146	141

This account funds the majority of the Federal operating expenses of the Food and Nutrition Service and the Center for Nutrition Policy and Promotion.

Object Classification (in millions of dollars)

Identification code 12-3508-0-1-605	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
Full-time permanent			
11.1 Full-time permanent	90	91	93
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	92	93	95
12.1 Civilian personnel benefits	21	22	22
21.0 Travel and transportation of persons	2	2	2
23.3 Communications, utilities, and miscellaneous charges	2	2	2

25.2	Other services	20	19	19
26.0	Supplies and materials	1	1	1
41.0	Grants, subsidies, and contributions	3	2	.....
99.0	Direct obligations	141	141	141
99.0	Reimbursable obligations	1	1	1
99.9	Total new obligations	142	142	142

Personnel Summary

Identification code 12-3508-0-1-605	2004 actual	2005 est.	2006 est.
1001 Total compensable workyears: Civilian full-time equivalent employment	1,287	1,256	1,256

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011 et seq.), **[\$35,154,554,000]** **[\$40,711,395,000]**, of which **\$3,000,000,000** [to remain available through September 30, 2006,] shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided*, [That none of the funds made available under this heading shall be used for studies and evaluations: *Provided further*, That of the funds made available under this heading and not already appropriated to the Food Distribution Program on Indian Reservations (FDPIR) established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)), not to exceed \$4,000,000 shall be used to purchase bison meat for the FDPIR from Native American bison producers as well as from producer-owned cooperatives of bison ranchers: *Provided further*,] That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That funds made available for Employment and Training under this heading shall remain available until expended, as authorized by section 16(h)(1) of the Food Stamp Act: *Provided further*, That notwithstanding section 5(d) of the Food Stamp Act of 1977, any additional payment received under chapter 5 of title 37, United States Code, by a member of the United States Armed Forces deployed to a designated combat zone shall be excluded from household income for the duration of the member's deployment if the additional pay is the result of deployment to or while serving in a combat zone, and it was not received immediately prior to serving in the combat zone.

For making after May 31 of the current fiscal year, benefit payments to individuals, and payments to States or other non-Federal entities for the necessary current year expenses of carrying out the Food Stamp Act above the anticipated level, such sums as may be necessary. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-3505-0-1-605	2004 actual	2005 est.	2006 est.	
Obligations by program activity:				
Direct program:				
Benefits issued				
00.01	24,610	29,688	33,123	
00.02	2,310	2,402	2,481	
00.03	267	282	293	
00.04	62	63	59	
00.05	1,413	1,495	1,516	
00.06	Food distribution program on Indian reservations (Commodities in lieu of food stamps)	54	58	52
00.07	Food distribution program on Indian reservations (Cooperator administrative expense)	27	24	25
00.08	The emergency food assistance program (commodities)	140	140	140
00.09	Modified food stamp program in American Samoa	6	6	6
00.10	Community food project	5	5	5
00.11	Commonwealth of the Northern Mariana Islands	11	8	8
00.13	Program access	5	5	5
00.14	Disregard special military pays for deployed	1	1	1
00.91	Reimbursable program	17	25	25
10.00	Total new obligations	28,927	34,202	37,739
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	26	41	1,019

General and special funds—Continued

FOOD STAMP PROGRAM—Continued

Program and Financing (in millions of dollars)—Continued			
Identification code 12-3505-0-1-605	2004 actual	2005 est.	2006 est.
22.00 New budget authority (gross)	30,863	35,180	40,736
22.10 Resources available from recoveries of prior year obligations	17	.....	.....
23.90 Total budgetary resources available for obligation	30,906	35,221	41,755
23.95 Total new obligations	28,927	34,202	37,739
23.98 Unobligated balance expiring or withdrawn	1,939	.....	3,978
24.40 Unobligated balance carried forward, end of year	41	1,019	38
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	17	17	18
Mandatory:			
60.00 Appropriation	30,929	35,138	40,693
61.00 Transferred to other accounts	−100	.....	.....
62.50 Appropriation (total mandatory)	30,829	35,138	40,693
69.00 Offsetting collections (cash)	17	25	25
70.00 Total new budget authority (gross)	30,863	35,180	40,736
Change in obligated balances:			
72.40 Obligated balance, start of year	1,233	1,355	1,321
73.10 Total new obligations	28,927	34,202	37,739
73.20 Total outlays (gross)	−28,660	−34,236	−37,681
73.40 Adjustments in expired accounts (net)	−127	.....	.....
73.45 Recoveries of prior year obligations	−17	.....	.....
74.40 Obligated balance, end of year	1,355	1,321	1,379
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	8	7	8
86.93 Outlays from discretionary balances	9	9	10
86.97 Outlays from new mandatory authority	27,419	32,874	36,324
86.98 Outlays from mandatory balances	1,224	1,346	1,339
87.00 Total outlays (gross)	28,660	34,236	37,681
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	−3	.....	.....
88.40 Non-Federal sources	−36	−25	−25
88.90 Total, offsetting collections (cash)	−39	−25	−25
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	22	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	30,846	35,155	40,711
90.00 Outlays	28,621	34,211	37,656

Summary of Budget Authority and Outlays

(in millions of dollars)

	2004 actual	2005 est.	2006 est.
Enacted/requested:			
Budget Authority	30,846	35,155	40,711
Outlays	28,621	34,211	37,656
Legislative proposal, subject to PAYGO:			
Budget Authority .....	.....	.....	−57
Outlays .....	.....	.....	−57
Total:			
Budget Authority	30,846	35,155	40,654
Outlays	28,621	34,211	37,599

The Food Stamp Program is the primary source of nutrition assistance for low-income Americans.

Some of these funds provide a grant to Puerto Rico in lieu of the Food Stamp Program which gives the Commonwealth flexibility to administer a nutrition assistance program tailored to the needs of its low-income households.

Funds in this account are also used to carry out the Emergency Food Assistance Act of 1983 and for food distribution

and administrative expenses for Native Americans under section 4(b) of the Food Stamp Act.

Food Stamp Program costs are not fully predictable. In the event that actual program needs exceed budget estimates, the budget provides a \$3 billion contingency reserve. The budget also proposes indefinite funding authority which would make funds available in the last four months of the fiscal year if program needs exceed the anticipated level.

Object Classification (in millions of dollars)

Identification code 12-3505-0-1-605	2004 actual	2005 est.	2006 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	6	6
12.1 Civilian personnel benefits	1	1	1
21.0 Travel and transportation of persons	2	2	2
23.3 Communications, utilities, and miscellaneous charges	3	3	3
24.0 Printing and reproduction	2	2	2
25.2 Other services	48	49	45
26.0 Supplies and materials	185	190	183
41.0 Grants, subsidies, and contributions	28,663	33,924	37,472
99.0 Direct obligations	28,910	34,177	37,714
99.0 Reimbursable obligations	17	25	25
99.9 Total new obligations	28,927	34,202	37,739

Personnel Summary

Identification code 12-3505-0-1-605	2004 actual	2005 est.	2006 est.
1001 Total compensable workyears: Civilian full-time equivalent employment	69	68	68

FOOD STAMP PROGRAM

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-3505-4-1-605	2004 actual	2005 est.	2006 est.
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Obligations by program activity:

Direct program:			
00.01 Benefits issued	−57
10.00 Total new obligations (object class 41.0) .....	.....	.....	−57

Budgetary resources available for obligation:

22.00 New budget authority (gross) .....	.....	.....	−57
23.95 Total new obligations .....	.....	.....	57

New budget authority (gross), detail:

Mandatory:			
60.00 Appropriation .....	.....	.....	−57

Change in obligated balances:

73.10 Total new obligations .....	.....	.....	−57
73.20 Total outlays (gross)	57

Outlays (gross), detail:

86.97 Outlays from new mandatory authority	−57
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Net budget authority and outlays:

89.00 Budget authority	−57
90.00 Outlays	−57

This schedule shows the net effects of three legislative proposals. First, the Budget proposes to limit Food Stamp categorical eligibility status to households which receive Supplemental Security Income or Temporary Assistance for Needy Families cash assistance. Second, the Budget proposes to allow States to use the National Directory of New Hires to verify Food Stamp participants' employment and wage information. Finally, this schedule includes the Food Stamp effects of the child support proposals in the President's welfare reauthorization plan.

CHILD NUTRITION PROGRAMS
(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; **[\$11,782,000,000]** **\$12,416,027,000**, to remain available through September 30, **[2006]** 2007, of which **[\$6,629,038,000]** **\$7,304,207,000** is hereby appropriated and **[\$5,152,962,000]** **\$5,111,820,000** shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): *Provided*, **[T**hat none of the funds made available under this heading shall be used for studies and evaluations: *Provided further*, **]** That up to \$5,235,000 shall be available for independent verification of school food service claims. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005*.)

Program and Financing (in millions of dollars)

Identification code 12-3539-0-1-605	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Above 185 of poverty	422	443	461
00.02 130-185 of poverty	826	867	903
00.03 Below 130 of poverty	5,381	5,657	5,890
00.91 Subtotal, school lunch program	6,629	6,967	7,254
01.01 Above 185 of poverty	60	64	68
01.02 130-185 of poverty	147	157	167
01.03 Below 130 of poverty	1,580	1,689	1,795
01.91 Subtotal, school breakfast program	1,787	1,910	2,030
02.01 Above 185 of poverty	195	189	199
02.02 130-185 of poverty	116	116	122
02.03 Below 130 of poverty	1,723	1,740	1,832
02.04 Audits	22	21	22
02.91 Subtotal, child and adult care feeding program	2,056	2,066	2,175
03.01 Summer food service program	267	283	298
03.02 Special milk program	14	17	15
03.03 State administrative expenses	140	146	156
03.04 Commodity procurement	469	532	518
03.91 Subtotal, Other mandatory activities	890	978	987
04.01 Team Nutrition	10	10	10
04.02 Coordinated review and CN pay costs	5	5	5
04.03 Computer support and processing	9	9	9
04.05 Food safety education	1	1	1
04.08 Performance measurement and program assessment	5	.....	4
04.91 Subtotal, discretionary activities	30	25	29
05.01 Food service management institute and information clearinghouse and Reauthorization Activities	3	21	38
10.00 Total new obligations	11,395	11,967	12,513

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	13	129	65
22.00 New budget authority (gross)	11,454	11,803	12,454
22.10 Resources available from recoveries of prior year obligations	61	100	.....
23.90 Total budgetary resources available for obligation	11,528	12,032	12,519
23.95 Total new obligations	-11,395	-11,967	-12,513
23.98 Unobligated balance expiring or withdrawn	-4	.....	.....
24.40 Unobligated balance carried forward, end of year	129	65	6

New budget authority (gross), detail:

Discretionary:			
40.00 Appropriation	12	7	11
Mandatory:			
60.00 Appropriation	6,706	6,622	7,293
60.00 Appropriation- Permanent Appropriation	3	21	38
62.00 Transferred from other accounts	4,700	5,153	5,112
62.50 Appropriation (total mandatory)	11,409	11,796	12,443
69.00 Offsetting collections (cash)	33	.....	.....
70.00 Total new budget authority (gross)	11,454	11,803	12,454

Change in obligated balances:

72.40 Obligated balance, start of year	1,553	1,662	1,365
73.10 Total new obligations	11,395	11,967	12,513
73.20 Total outlays (gross)	-11,246	-12,164	-12,477
73.40 Adjustments in expired accounts (net)	21	.....	.....

73.45 Recoveries of prior year obligations	-61	-100	.....
74.40 Obligated balance, end of year	1,662	1,365	1,401
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority			
86.93 Outlays from discretionary balances	6	4	6
86.97 Outlays from new mandatory authority	5	6	3
86.98 Outlays from mandatory balances	9,687	10,405	10,890
87.00 Total outlays (gross)	1,548	1,749	1,578
87.00 Total outlays (gross)	11,246	12,164	12,477

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources			
88.40 Non-Federal sources	-28	.....	.....
88.90 Total, offsetting collections (cash)	-12	.....	.....
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	-40	.....	.....
88.96 Portion of offsetting collections (cash) credited to expired accounts	7	.....	.....

Net budget authority and outlays:

89.00 Budget authority	11,421	11,803	12,454
90.00 Outlays	11,207	12,164	12,477

Payments are made for cash and commodity meal subsidies through the School Lunch, School Breakfast, Special Milk, Summer Food Service, and Child and Adult Care Food programs.

Object Classification (in millions of dollars)

Identification code 12-3539-0-1-605	2004 actual	2005 est.	2006 est.
11.1 Personnel compensation: Full-time permanent	8	9	9
12.1 Civilian personnel benefits	2	3	3
21.0 Travel and transportation of persons	1	1	1
24.0 Printing and reproduction	1	3	3
25.2 Other services	13	13	13
26.0 Supplies and materials (Commodities)	659	747	733
41.0 Grants, subsidies, and contributions	10,711	11,191	11,751
99.9 Total new obligations	11,395	11,967	12,513

Personnel Summary

Identification code 12-3539-0-1-605	2004 actual	2005 est.	2006 est.
1001 Total compensable workyears: Civilian full-time equivalent employment	140	164	164

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

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), **[\$5,277,250,000]** **\$5,510,000,000**, to remain available through September 30, **[2006]** 2007, of which **[\$125,000,000]** *such sums are necessary to restore the contingency reserve to \$125,000,000* shall be placed in reserve, to remain available until expended, to be allocated as the Secretary deems necessary, notwithstanding section 17(i) of such Act, to support participation should cost or participation exceed budget estimates: *Provided*, That of the total amount available, the Secretary shall obligate not less than \$15,000,000 for a breastfeeding support initiative in addition to the activities specified in section 17(h)(3)(A): *Provided further*, That **[notwithstanding section 17(h)(10)(A) of such Act, only the provisions of section 17(h)(1)(B)(i) shall be effective in 2006; including \$14,000,000 shall be available]** for the purposes specified in section 17(h)(10)(B)(i): *Provided further*, That **[none]** \$3,000,000 of the funds made available under this heading shall be used for studies and evaluations of *program cost containment strategies*: *Provided further*, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking within the space used to carry out the program: *Provided further*, That **[of the total amount allocated as grants to States, nutrition services and administration funding shall be capped at 25 percent of the total amount provided, with**

General and special funds—Continued**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)**—Continued

individual State agency allocations to be made in accordance with a methodology developed by the Secretary: Provided further, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of such Act: Provided further, That none of the funds made available under this heading may be used to provide WIC benefits to an individual who receives medical assistance under title XIX of the Social Security Act, or is a member of a family in which a pregnant woman or an infant receives assistance unless such individual's family income is below 250 percent of the applicable nonfarm income poverty guidelines: Provided further, That none of the funds provided shall be available for activities that are not fully reimbursed by other Federal Government departments or agencies unless authorized by section 17 of such Act. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-3510-0-1-605	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Base Grants	4,913	5,225	5,576
00.02 Contingency Fund	125	16	.....
10.00 Total new obligations (object class 41.0)	5,038	5,241	5,576
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	190	5	109
22.00 New budget authority (gross)	4,714	5,235	5,510
22.10 Resources available from recoveries of prior year obligations	162	110	82
23.90 Total budgetary resources available for obligation	5,066	5,350	5,701
23.95 Total new obligations	−5,038	−5,241	−5,576
23.98 Unobligated balance expiring or withdrawn	−23	.....	.....
24.40 Unobligated balance carried forward, end of year	5	109	125
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	4,639	5,277	5,510
40.35 Appropriation permanently reduced	−27	−42	.....
43.00 Appropriation (total discretionary)	4,612	5,235	5,510
Mandatory:			
62.00 Transferred from other accounts	100	.....	.....
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	.....	.....
70.00 Total new budget authority (gross)	4,714	5,235	5,510
Change in obligated balances:			
72.40 Obligated balance, start of year	423	434	477
73.10 Total new obligations	5,038	5,241	5,576
73.20 Total outlays (gross)	−4,861	−5,088	−5,465
73.40 Adjustments in expired accounts (net)	−2	.....	.....
73.45 Recoveries of prior year obligations	−162	−110	−82
74.40 Obligated balance, end of year	434	477	506
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	4,415	4,715	5,055
86.93 Outlays from discretionary balances	446	373	410
87.00 Total outlays (gross)	4,861	5,088	5,465
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	−3	.....	.....
Against gross budget authority only:			
88.96 Portion of offsetting collections (cash) credited to expired accounts	1	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	4,712	5,235	5,510
90.00 Outlays	4,860	5,088	5,465

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides low-income at-risk pregnant and post-partum women, infants, and children with vouchers for nutritious supplemental food packages, nutrition education and counseling, and health and immunization referrals. This request includes funds for a breastfeeding support initiative and an assessment of program cost containment strategies.

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out disaster assistance and the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note); the Emergency Food Assistance Act of 1983; [and] special assistance [(in a form determined by the Secretary of Agriculture)] for the nuclear affected islands, as authorized by section 103(f)(2) of the Compact of Free Association Amendments Act of 2003 (Public Law 108-188); and the Farmers' Market Nutrition Program, as authorized by section 17(m) of the Child Nutrition Act of 1966, [\$178,797,000] \$177,935,000, to remain available through September 30, [2006] 2007: Provided, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program: Provided further, That notwithstanding any other provision of law, effective with funds made available in fiscal year [2005] 2006 to support the Senior Farmers' Market Nutrition Program, as authorized by section 4402 of Public Law 107-171, such funds shall remain available through September 30, [2006] 2007. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-3507-0-1-605	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
Commodity supplemental food program:			
00.01 Commodity procurement	80	81	79
00.02 Administrative costs	29	29	28
00.91 Subtotal, commodity supplemental food program	109	110	107
The emergency food assistance program:			
02.01 Administrative costs	50	50	50
03.01 Senior farmers' market	15	15	15
04.01 Farmers' Market Nutrition Program .....	.....	20	20
05.01 Pacific Island and Disaster Assistance	1	1	1
09.01 Reimbursable program (NSIP) .....	.....	2	2
10.00 Total new obligations	175	198	195
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	11	3	.....
22.00 New budget authority (gross)	165	195	195
22.10 Resources available from recoveries of prior year obligations	2	.....	.....
23.90 Total budgetary resources available for obligation	178	198	195
23.95 Total new obligations	−175	−198	−195
24.40 Unobligated balance carried forward, end of year	3	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	150	179	178
40.35 Appropriation permanently reduced	−1	−1	.....
43.00 Appropriation (total discretionary)	149	178	178
Mandatory:			
62.00 Transferred from other accounts	15	15	15
Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	2	2
70.00 Total new budget authority (gross)	165	195	195
Change in obligated balances:			
72.40 Obligated balance, start of year	28	30	40
73.10 Total new obligations	175	198	195
73.20 Total outlays (gross)	−171	−188	−196
73.45 Recoveries of prior year obligations	−2	.....	.....
74.40 Obligated balance, end of year	30	40	39

Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	126	150
86.93	Outlays from discretionary balances	30	23
86.97	Outlays from new mandatory authority	8	8
86.98	Outlays from mandatory balances	7	7
87.00	Total outlays (gross)	171	188
Offsets:			
88.00	Against gross budget authority and outlays: Offsetting collections (cash) from: Federal sources	-1	-2
Net budget authority and outlays:			
89.00	Budget authority	164	193
90.00	Outlays	170	186
			194

This account funds the Commodity Supplemental Food Program (CSFP), the Emergency Food Assistance Program (TEFAP), farmers' market nutrition programs, assistance for the nuclear affected islands, and disaster relief.

CSFP provides food packages for low-income women, infants, and children as well as low-income elderly persons. It also funds State administrative expenses.

TEFAP provides cash to support State administrative activities and maintain the storage and distribution pipeline for USDA and privately donated commodities.

This account funds two farmers' market nutrition programs which provide low-income participants vouchers for fresh produce at farmers' markets. The first, for seniors, is funded by transfer from the Commodity Credit Corporation. The second, for women, infants, and children, was previously funded in the WIC account.

Object Classification (in millions of dollars)			
Identification code 12-3507-0-1-605	2004 actual	2005 est.	2006 est.
26.0 Supplies and materials (commodities)	80	81	79
41.0 Grants, subsidies, and contributions	95	117	116
99.9 Total new obligations	175	198	195

FOOD DONATIONS PROGRAMS

Program and Financing (in millions of dollars)			
Identification code 12-3503-0-1-605	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
09.01 Reimbursable program (NSIP)	3	.....	.....
10.00 Total new obligations (object class 26.0)	3	.....	.....
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	.....	.....
22.00 New budget authority (gross)	3	.....	.....
23.90 Total budgetary resources available for obligation	4	.....	.....
23.95 Total new obligations	-3	.....	.....
New budget authority (gross), detail:			
Discretionary:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	3	.....	.....
Change in obligated balances:			
72.40 Obligated balance, start of year	2	.....	.....
73.10 Total new obligations	3	.....	.....
73.20 Total outlays (gross)	-5	.....	.....
74.40 Obligated balance, end of year .....	.....	.....	.....
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	3	.....	.....
86.93 Outlays from discretionary balances	2	.....	.....
87.00 Total outlays (gross)	5	.....	.....

Offsets:			
88.00	Against gross budget authority and outlays: Offsetting collections (cash) from: Federal sources	-2	.....
88.96	Against gross budget authority only: Portion of offsetting collections (cash) credited to expired accounts	-1	.....

Net budget authority and outlays:			
89.00	Budget authority	1	.....
90.00	Outlays	1	.....

This account includes prior year amounts for the Nutrition Services Incentive Program (NSIP). NSIP was transferred to the Department of Health and Human Services in fiscal year 2003. NSIP grantees have the option to receive all or a portion of their grant in the form of commodities. USDA continues to provide these commodities, the cost of which is reimbursed by HHS. Beginning in fiscal year 2005, these reimbursements are reflected in the Commodity Assistance Programs account.

FOREST SERVICE

Federal Funds

General and special funds:

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, **[\$1,400,260,000]** **\$1,651,357,000**, to remain available until expended, which shall include 50 percent of all moneys received during prior fiscal years as fees collected under the Land and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 4601-6a(ii)): *Provided*, That **[unobligated balances under this heading available at the start of fiscal year 2005 shall be displayed by budget line item in the fiscal year 2006 budget justification: *Provided further*, That, through fiscal year 2009,]** the Secretary may authorize the expenditure or transfer of such sums as necessary to the Department of the Interior, Bureau of Land Management, for removal, preparation, and adoption of excess wild horses and burros from National Forest System lands, and for the performance of cadastral surveys to designate the boundaries of such lands: *Provided further*, That of the funds provided under this heading **[for Forest Products, \$5,000,000]** shall be allocated to the Alaska Region, in addition to its normal allocation for the purposes of preparing additional timber for sale, to establish a 3-year timber supply and such funds may be transferred to other appropriations accounts as necessary to maximize accomplishment: *Provided further*, That within funds available for the purpose of implementing the Valles Caldera Preservation Act, notwithstanding the limitations of section 107(e)(2) of the Valles Caldera Preservation Act (Public Law 106-248), for fiscal year 2005, the Chair of the Board of Trustees of the Valles Caldera Trust may receive, upon request, compensation for each day (including travel time) that the Chair is engaged in the performance of the functions of the Board, except that compensation shall not exceed the daily equivalent of the annual rate in effect for members of the Senior Executive Service at the ES-1 level, and shall be in addition to any reimbursement for travel, subsistence and other necessary expenses incurred by the Chair in the performance of the Chair's duties] **\$281,000,000 is available for hazardous fuels reduction activities utilizing the authorities available to the Secretary under the heading "Wildland Fire Management," of which not more than \$5,000,000 may be used to make grants to create incentives for increased use of biomass from national forest lands, and of which up to \$15,000,000 may be used on adjacent non-Federal lands for the purpose of protecting communities when hazard reduction activities are planned on national forest lands that have the potential to place such communities at risk: *Provided*, That with regard to such activities, and notwithstanding requirements of the Competition in Contracting Act but subject to any such requirements as the Director of the Office of Management and Budget may prescribe, the Secretary of Agriculture may obtain maximum practicable competition among: (A) local private, nonprofit, or cooperative entities, (B) Youth Conservation Corps crews or related partnerships with State, local, or nonprofit youth groups, (C) small or micro-business or, (D) other entities that will hire or**

General and special funds—Continued

NATIONAL FOREST SYSTEM—Continued

train locally a significant percentage, defined as 50 percent or more, of the project workforce to complete such contracts. (Department of the Interior and Related Agencies Appropriations Act, 2005.)

[For an additional amount for "National Forest System", \$12,153,000, to remain available until expended, to address damages from natural disasters: *Provided*, That such amount is designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.] (Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-1106-0-1-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 National forest system	1,686	1,506	1,653
09.01 Reimbursable program	82	97	97
10.00 Total new obligations	1,768	1,603	1,750
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	136	100	.....
22.00 New budget authority (gross)	1,699	1,503	1,750
22.10 Resources available from recoveries of prior year obligations	9	.....	.....
22.22 Unobligated balance transferred from other accounts	24	.....	.....
23.90 Total budgetary resources available for obligation	1,868	1,603	1,750
23.95 Total new obligations	−1,768	−1,603	−1,750
24.40 Unobligated balance carried forward, end of year	100	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1,571	1,412	1,651
40.35 Appropriation permanently reduced	−17	−19	.....
42.00 Transferred from other accounts	36	13	2
43.00 Appropriation (total discretionary)	1,590	1,406	1,653
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	97	97	97
68.10 Change in uncollected customer payments from Federal sources (unexpired)	12	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	109	97	97
70.00 Total new budget authority (gross)	1,699	1,503	1,750
Change in obligated balances:			
72.40 Obligated balance, start of year	139	175	326
73.10 Total new obligations	1,768	1,603	1,750
73.20 Total outlays (gross)	−1,711	−1,452	−1,713
73.45 Recoveries of prior year obligations	−9	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	−12	.....	.....
74.40 Obligated balance, end of year	175	326	363
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1,483	1,277	1,487
86.93 Outlays from discretionary balances	228	175	226
87.00 Total outlays (gross)	1,711	1,452	1,713
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	−63	−97	−97
88.40 Non-Federal sources	−34	.....	.....
88.90 Total, offsetting collections (cash)	−97	−97	−97
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	−12	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	1,590	1,406	1,653
90.00 Outlays	1,614	1,355	1,616

The 155 National Forests, 20 National Grasslands, and six land utilization projects located in 44 States, Puerto Rico, and the Virgin Islands are managed under multiple-use and sustained-yield principles. The natural resources of timber, minerals, range, wildlife, outdoor recreation, watershed, and soil are used in a planned combination that will best meet the needs of the Nation without impairing productivity of the land or damaging the environment. These management and utilization principles are recognized in the Multiple-Use, Sustained-Yield Act of 1960 (16 U.S.C. 528–531) and use an ecological approach to managing the National Forest System.

National Forest System (NFS) operations and maintenance provide for the planning, assessment, and conservation of ecosystems while delivering multiple public services and uses. These are delivered through the principal NFS programs of land management planning; inventory and monitoring; recreation, heritage, and wilderness; wildlife and fisheries habitat management; grazing management; forest products; vegetation and watershed management; minerals and geology management; landownership management; law enforcement operations; and hazardous fuels reduction. These programs maintain the capability to manage natural resources in a manner consistent with ecological principles and responsibilities.

The President's Healthy Forest Initiative marks a clear and decisive change in direction to remove the causes of severe wildfires instead of enduring season after season of devastating fires. Key to this effort is the reduction of dense undergrowth that fuels catastrophic fires through thinning and prescribed burns. Consistent with the Healthy Forests Initiative's focus on management and making better use of existing resources, the budget puts additional discretion into the hands of on-the-ground managers by funding hazardous fuels activities within the National Forest System. Funds are included within the National Forest System account to conduct all hazardous fuel reduction activities to minimize the risk of catastrophic wildfire to communities and natural resources by reducing hazardous fuels in forests, woodlands, shrublands, and grasslands. Funds are provided to plan, implement, and monitor treatments that include prescribed fire, mechanical treatment, and chemical treatment.

In previous years, hazardous fuels funding was appropriated in the Wildland Fire Management Account. Transferring hazardous fuels activities to the National Forest System will expand coordination and also work cohesively with other vegetation management activities on the national forests to create a landscape pattern that effectively lessens the likelihood of large fires. The focus of the majority of treatments is on priority fire-prone landscapes in order to make an efficient and effective difference.

This budget places additional emphasis on hazardous fuels funding that expands economic opportunities for rural communities that have experienced adverse economic impacts associated with Federal timber harvest reductions coupled with an increased threat of wildfire. The budget retains the authority to use funds for contracts, utilizes appropriate competitive sourcing, and provides an expanded authority for local hire. Finally, the budget reflects anticipated increases in fuels treatments through increased efficiencies resulting from the use of the stewardship contract authority and other administrative and productivity improvements resulting from the President's Healthy Forests Initiative.

Included within the National Forest System account are funds to rehabilitate fire damaged wildlands and restore ecosystems impacted by wildland fires. This funding will permit immediate actions to reduce threats to public safety, property and natural and cultural resources, and long-term actions to help restore healthy ecosystems and replace infrastructure damaged by fire. Funding will be used to improve overall watershed condition and restore severely burned forests and rangeland through activities that include reforestation, water-

shed restoration, road and trail rehabilitation, fish and wildlife habitat restoration, planting and seeding and preventing invasive plants.

The Budget includes a significant reform of the Forest Service that streamlines its organization, improves accountability, and focuses on measurable results in the management of our national forests. Specifically, the Budget will reduce overhead, business management, and other indirect costs by one-third to improve efficiency and program delivery. Results will improve in two ways. First, national forest operations will be transformed by making additional "on-the-ground" resources available for resource management projects that meet the objectives of the President's Healthy Forest Initiative. Secondly, the administration and execution of programs will be enhanced through improvements in management accountability, reporting relationships, and oversight.

Object Classification (in millions of dollars)

Identification code 12-1106-0-1-302	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	652	663	766
11.3 Other than full-time permanent	43	44	51
11.5 Other personnel compensation	41	41	48
11.9 Total personnel compensation	736	748	865
12.1 Civilian personnel benefits	202	206	238
21.0 Travel and transportation of persons	35	35	35
22.0 Transportation of things	10	10	10
23.1 Rental payments to GSA	17	17	17
23.2 Rental payments to others	19	19	19
23.3 Communications, utilities, and miscellaneous charges	44	44	44
24.0 Printing and reproduction	4	4	4
25.2 Other services	262	232	230
25.3 Other purchases of goods and services from Government accounts	60	60	60
25.7 Operation and maintenance of equipment	4	4	4
26.0 Supplies and materials	69	69	69
31.0 Equipment	18	42	42
32.0 Land and structures	1	1	1
41.0 Grants, subsidies, and contributions	15	15	15
42.0 Insurance claims and indemnities	190	.....	.....
99.0 Direct obligations	1,686	1,506	1,653
99.0 Reimbursable obligations	82	97	97
99.9 Total new obligations	1,768	1,603	1,750

Personnel Summary

Identification code 12-1106-0-1-302	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment			
1001 Reimbursable:	13,669	13,419	15,101
2001 Total compensable workyears: Civilian full-time equivalent employment	459	973	973
Allocation account:			
3001 Total compensable workyears: Civilian full-time equivalent employment	973	459	459

Object Classification (in millions of dollars)

Identification code 12-1106-4-1-302	2004 actual	2005 est.	2006 est.
25.2 Other services	-26
25.3 Other purchases of goods and services from Government accounts	26
99.9 Total new obligations

CAPITAL IMPROVEMENT AND MAINTENANCE

For necessary expenses of the Forest Service, not otherwise provided for, [\$521,952,000] \$380,792,000, to remain available until expended for construction, reconstruction, maintenance and acquisition of buildings and other facilities, and for construction, reconstruction,

repair, decommissioning, and maintenance of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: *Provided*, That up to \$15,000,000 of the funds provided herein for road maintenance shall be available for the decommissioning of roads, including unauthorized roads not part of the transportation system, which are no longer needed: *Provided further*, That no funds shall be expended to decommission any system road until notice and an opportunity for public comment has been provided on each decommissioning project: *Provided further*, That subject to all the authorities available to the Forest Service under the State and Private Forestry appropriation, up to \$1,000,000 may be used on non-Federal lands adjacent to the Chugach National Forest for the purpose of expanding recreational opportunities]. (Department of the Interior and Related Agencies Appropriations Act, 2005.)

[For an additional amount for "Capital Improvement and Maintenance", \$50,815,000, to remain available until expended, to address damages from natural disasters: *Provided*, That such amount is designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.] (Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-1103-0-1-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Capital improvement and maintenance			
09.01 Reimbursable program	625	684	381
10.00 Total new obligations	10	10	10
635	694	391	
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	79	108	.....
22.00 New budget authority (gross)	619	586	391
22.10 Resources available from recoveries of prior year obligations	1	.....	.....
22.22 Unobligated balance transferred from other accounts	44	.....	.....
23.90 Total budgetary resources available for obligation	743	694	391
23.95 Total new obligations	-635	-694	-391
24.40 Unobligated balance carried forward, end of year	108	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	562	573	381
40.35 Appropriation permanently reduced	-7	-7	.....
42.00 Transferred from other accounts	51	10	.....
43.00 Appropriation (total discretionary)	606	576	381
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	10	10	10
68.10 Change in uncollected customer payments from Federal sources (unexpired)	3	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	13	10	10
70.00 Total new budget authority (gross)	619	586	391
Change in obligated balances:			
72.40 Obligated balance, start of year	225	247	235
73.10 Total new obligations	635	694	391
73.20 Total outlays (gross)	-609	-706	-508
73.45 Recoveries of prior year obligations	-1	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-3	.....	.....
74.40 Obligated balance, end of year	247	235	118
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	414	440	294
86.93 Outlays from discretionary balances	195	266	214
87.00 Total outlays (gross)	609	706	508
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-5	-5	-5
88.40 Non-Federal sources	-5	-5	-5

General and special funds—Continued**CAPITAL IMPROVEMENT AND MAINTENANCE**—Continued**Program and Financing** (in millions of dollars)—Continued

Identification code 12-1103-0-1-302	2004 actual	2005 est.	2006 est.
88.90 Total, offsetting collections (cash)	-10	-10	-10
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-3		
Net budget authority and outlays:			
89.00 Budget authority	606	576	381
90.00 Outlays	599	696	498

Funding provides for capital improvement and maintenance of facilities, roads, and trails. The program emphasizes: better resource management decisions based on the best scientific information and knowledge; an efficient and effective infrastructure that supports public and administrative uses; and quality recreation experiences with minimal impact to ecosystem stability and conditions.

Facilities.—Provides for capital improvement and maintenance of research, fire, administrative, and other (FA&O), and recreation facilities, including site components such as roads and trails and the acquisition of buildings and other facilities necessary to carry out the mission of the Forest Service. Capital Improvement includes: new construction of a facility; alteration of an existing facility to change the function; and expansion of a facility to change the capacity or to serve needs that are different from what was originally intended. Maintenance is divided into four primary areas: annual maintenance, deferred maintenance, decommissioning, and operations. Deferred maintenance work includes the repair, rehabilitation, or replacement of the facility or components of the facility.

Roads.—Provides for capital improvement and maintenance of roads. The program also focuses on decommissioning unneeded roads and/or roads that are degrading the ecosystem. Capital improvement includes: new road construction; alteration of an existing road to change the function; and expansion of the road to change the capacity or to serve needs that are different from what was originally intended. The agency will continue to address the growing road system maintenance backlog. Funding priorities are health and safety, resource protection, and mission critical needs. Maintenance is divided into four primary areas: annual road maintenance, deferred road maintenance, road operations, and decommissioning.

Trails.—Provides for capital improvement and maintenance of trails. Capital improvement includes: new trail construction; alteration of an existing trail to change the function; and expansion of the trail to change the capacity or to serve needs that are different from what was originally intended. Maintenance funding is used to protect capital investments by keeping trails open for access and protecting vegetation, soil, and water quality. Work includes clearing the pathway of encroaching vegetation and fallen trees, and repairing or improving trail signs, treadways, drainage facilities, and bridges. Maintenance is divided into four primary areas: annual trail maintenance, deferred trail maintenance, trail operations, and trail decommissioning.

Infrastructure Improvement.—Ameliorates the backlog in deferred maintenance of National Forest System roads and trails as well as Forest Service fire, administrative, and recreation facilities. The funds focus on critical maintenance backlog; i.e., these funds are for repair and rehabilitation of existing facilities and roads; funds may not be used for new and expanded facilities or roads. The budget reflects Forest Service improvements in addressing the deferred maintenance

backlog based upon agency implementation of PART recommendations.

Object Classification (in millions of dollars)

Identification code 12-1103-0-1-302	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	169	169	131
11.3 Other than full-time permanent	17	17	13
11.5 Other personnel compensation	12	12	9
11.9 Total personnel compensation	198	198	153
12.1 Civilian personnel benefits	53	53	41
13.0 Benefits for former personnel	5	5	4
21.0 Travel and transportation of persons	9	9	9
22.0 Transportation of things	3	3	3
23.1 Rental payments to GSA	4	4	4
23.2 Rental payments to others	5	6	6
23.3 Communications, utilities, and miscellaneous charges	12	13	13
24.0 Printing and reproduction	1	1	1
25.2 Other services	237	242	41
25.3 Other purchases of goods and services from Government accounts	25	19	8
25.4 Operation and maintenance of facilities	6	6	6
25.7 Operation and maintenance of equipment	2	2	2
26.0 Supplies and materials	14	28	28
31.0 Equipment	5	13	13
32.0 Land and structures	46	78	45
41.0 Grants, subsidies, and contributions	4		4
99.0 Direct obligations	625	684	381
99.0 Reimbursable obligations	10	10	10
99.9 Total new obligations	635	694	391

Personnel Summary

Identification code 12-1103-0-1-302	2004 actual	2005 est.	2006 est.
Direct:			
Total compensable workyears: Civilian full-time equivalent employment			
1001	3,862	3,720	2,800
Reimbursable:			
Total compensable workyears: Civilian full-time equivalent employment			
2001	59	59	59
Allocation account:			
Total compensable workyears: Civilian full-time equivalent employment			
3001	40	40	40

Object Classification (in millions of dollars)

Identification code 12-1103-4-1-302	2004 actual	2005 est.	2006 est.
25.2 Other services			-7
25.3 Other purchases of goods and services from Government accounts			7
99.9 Total new obligations			

FOREST AND RANGELAND RESEARCH

For necessary expenses of forest and rangeland research as authorized by law, [\$280,278,000] \$285,400,000, to remain available until expended [*Provided*, That of the funds provided, \$56,714,000 is for the forest inventory and analysis program].

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), [\$65,000] \$64,000, to remain available until expended, to be derived from the fund established pursuant to the above Act. (*Department of the Interior and Related Agencies Appropriations Act, 2005*.)

Program and Financing (in millions of dollars)

Identification code 12-1104-0-1-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.06 Forest and rangeland research			
00.06	296	327	302
09.01 Reimbursable program			
09.01	31	28	28

10.00	Total new obligations	327	355	330
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	43	29	.....
22.00	New budget authority (gross)	307	326	330
22.10	Resources available from recoveries of prior year obligations	1	.....	.....
22.22	Unobligated balance transferred from other accounts	5	.....	.....
23.90	Total budgetary resources available for obligation	356	355	330
23.95	Total new obligations	—327	—355	—330
24.40	Unobligated balance carried forward, end of year	29	.....	.....
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	270	280	285
40.35	Appropriation permanently reduced	—3	—4	.....
42.00	Transferred from other accounts	27	22	17
43.00	Appropriation (total discretionary)	294	298	302
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	28	28	28
68.10	Change in uncollected customer payments from Federal sources (unexpired)	—15	.....	.....
68.90	Spending authority from offsetting collections (total discretionary)	13	28	28
70.00	Total new budget authority (gross)	307	326	330
Change in obligated balances:				
72.40	Obligated balance, start of year	71	86	97
73.10	Total new obligations	327	355	330
73.20	Total outlays (gross)	—326	—344	—328
73.45	Recoveries of prior year obligations	—1	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	15	.....	.....
74.40	Obligated balance, end of year	86	97	99
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	260	229	231
86.93	Outlays from discretionary balances	66	115	97
87.00	Total outlays (gross)	326	344	328
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	—25	—28	—28
88.40	Non-Federal sources	—3	.....	.....
88.90	Total, offsetting collections (cash)	—28	—28	—28
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	15	.....	.....
Net budget authority and outlays:				
89.00	Budget authority	294	298	302
90.00	Outlays	298	316	300

Forest Service Research & Development (FS R&D) is one of the world's leading forestry research organizations. It conducts ecological and social science research to understand ecosystems, how humans influence those ecosystems, and how forests can be managed sustainably to enable both environmental conservation and economic expansion. Research is conducted at six Research Stations, the Forest Products Laboratory, and the International Institute of Tropical Forestry located in Puerto Rico.

In 2006, the body of knowledge and technologies will be expanded to improve forest and rangeland managers' abilities to reintroduce fire to its natural role, control exotic plants, insects, and pathogens, and keep losses from native insects and pathogens to an acceptable level. FS R&D researchers will be answering land managers' scientific questions about fire behavior, risk assessment and mitigation for multiple hazards, and utilization opportunities for the biomass that contributes to overcrowded, unhealthy forests. Increased funding will be provided for invasive species to accelerate research vital to a rapid management response; and watershed re-

search to provide improved tools for land managers to restore native vegetation on sites disturbed by fire, and address other issues such as climate change.

The Forest Inventory and Analysis program will continue to provide up-to-date information on status and trends in America's forest resources including the distribution and type of forest; growth, harvest, and mortality; forest structure and composition; soils; vegetative diversity; and fuel loads.

Efficient delivery of science is essential to successful implementation of the President's Healthy Forest Initiative. The budget includes funds to optimize the delivery of research findings by improving Forest Service management of investments in research, development, and applications. Funds will be targeted to leading-edge technical assistance on a competitive basis. The Budget also emphasizes increasing the amount of research conducted on an extramural basis.

Object Classification (in millions of dollars)

Identification code 12-1104-0-1-302	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	136	139	139
11.3 Other than full-time permanent	8	8	9
11.5 Other personnel compensation	6	6	6
11.9 Total personnel compensation	150	153	154
12.1 Civilian personnel benefits	39	40	40
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	13	13	13
22.0 Transportation of things	2	2	2
23.1 Rental payments to GSA	3	3	3
23.2 Rental payments to others	3	4	4
23.3 Communications, utilities, and miscellaneous charges	10	10	10
24.0 Printing and reproduction	1	1	1
25.2 Other services	45	38	42
25.3 Other purchases of goods and services from Government accounts	5	5	5
25.7 Operation and maintenance of equipment	1	1	1
26.0 Supplies and materials	9	9	9
31.0 Equipment	6	9	9
41.0 Grants, subsidies, and contributions	8	38	8
99.0 Direct obligations	296	327	302
99.0 Reimbursable obligations	31	28	28
99.9 Total new obligations	327	355	330

Personnel Summary

Identification code 12-1104-0-1-302	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	2,566	2,533	2,475
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	164	164	164

FOREST AND RANGELAND RESEARCH

(Legislative proposal, subject to PAYGO)

Object Classification (in millions of dollars)

Identification code 12-1104-4-1-302	2004 actual	2005 est.	2006 est.
25.2 Other services	—3
25.3 Other purchases of goods and services from Government accounts	3
99.9 Total new obligations

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with and providing technical and financial assistance to States, territories, possessions, and others,

General and special funds—Continued

STATE AND PRIVATE FORESTRY—Continued

and for forest health management, including treatments of pests, pathogens, and invasive or noxious plants and for restoring and rehabilitating forests damaged by pests or invasive plants, cooperative forestry, and education and land conservation activities and conducting an international program as authorized, [[\$296,626,000]] \$253,387,000, to remain available until expended, as authorized by law of which [[\$57,939,000]] \$144,574,000 is to be derived from the Land and Water Conservation Fund: *Provided*, That none of the funds provided under this heading for the acquisition of lands or interests in lands shall be available until the Forest Service notifies the House Committee on Appropriations and the Senate Committee on Appropriations, in writing, of specific contractual and grant details including the non-Federal cost share: *Provided further*, That notwithstanding any other provision of law, of the funds provided under this heading, \$2,000,000 shall be made available to Kake Tribal Corporation as an advance direct lump sum payment to implement the Kake Tribal Corporation Land Transfer Act (Public Law 106-283), and \$1,500,000 shall be made available to Canton, North Carolina, as an advance direct lump sum payment for wood products wastewater treatment repairs]. (Department of the Interior and Related Agencies Appropriations Act, 2005.)

[For an additional amount for "State and Private Forestry", \$49,100,000, to remain available until expended, to address damages from natural disasters: *Provided*, That such amount is designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.] (Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-1105-0-1-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 State and private forestry	461	519	302
09.01 Reimbursable program	1	8	8
10.00 Total new obligations	462	527	310
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	62	80	.....
22.00 New budget authority (gross)	435	447	310
22.10 Resources available from recoveries of prior year obligations	11	.....	.....
22.22 Unobligated balance transferred from other accounts	34	.....	.....
23.90 Total budgetary resources available for obligation	542	527	310
23.95 Total new obligations	-462	-527	-310
24.40 Unobligated balance carried forward, end of year	80	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	268	288	108
40.20 Appropriation (LWCF)	65	57	145
40.35 Appropriation permanently reduced	-3	-4	.....
40.37 Appropriation temporarily reduced	-1	.....	.....
42.00 Transferred from other accounts	107	73	49
43.00 Appropriation (total discretionary)	436	414	302
Mandatory:			
62.00 Transferred from other accounts .....	.....	25	.....
Spending authority from offsetting collections:			
Discretionary:			
68.00 Offsetting collections (cash)	8	8	8
68.10 Change in uncollected customer payments from Federal sources (unexpired)	-9	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	-1	8	8
70.00 Total new budget authority (gross)	435	447	310
Change in obligated balances:			
72.40 Obligated balance, start of year	447	524	561
73.10 Total new obligations	462	527	310
73.20 Total outlays (gross)	-383	-490	-494
73.45 Recoveries of prior year obligations	-11	.....	.....

74.00 Change in uncollected customer payments from Federal sources (unexpired)	9	.....	.....
74.40 Obligated balance, end of year	524	561	377
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	266	317	233
86.93 Outlays from discretionary balances	117	154	255
86.97 Outlays from new mandatory authority .....	.....	19	.....
86.98 Outlays from mandatory balances .....	.....	.....	6
87.00 Total outlays (gross)	383	490	494
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-4	-4	-4
88.40 Non-Federal sources	-4	-4	-4
88.90 Total, offsetting collections (cash)	-8	-8	-8
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	9	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	436	439	302
90.00 Outlays	375	482	486

State and private forestry programs provide assistance to manage, use, and protect forest resources on State, urban, and private lands to meet domestic and international demands for goods and services. Assistance is provided to a wide range of customers including all States, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific.

Forest Health Management.—Includes Federal lands and cooperative lands.

Cooperative Fire Protection.—Includes funding to enhance the capacity of States to provide coordinated fire suppression response, reduce hazardous fuels in and adjacent to communities, and to promote safe and effective initial fire attack in wildland/urban interface areas by volunteer fire departments.

Cooperative Forestry.—Includes forest stewardship, the forest legacy program, urban and community forestry and forest resources and information analysis. This budget maintains the integrity of our country's valuable forest lands through the Forest Legacy program, a Federal program that partners with States to protect environmentally sensitive forest lands and the Forest Stewardship program, which will bring professional assistance to non-industrial private forest (NIPF) landowners to encourage sound environmental management of forests and to assist the social, economic, and environmental benefits of these lands.

International Programs.—The programs will emphasize habitat protection for migratory birds along the length of flyways, preventing the introduction of new invasive species, and sustainable forestry techniques development for other timber exporting nations.

Object Classification (in millions of dollars)

Identification code 12-1105-0-1-302	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	52	54	50
11.3 Other than full-time permanent	4	4	3
11.5 Other personnel compensation	3	3	3
11.9 Total personnel compensation	59	61	56
12.1 Civilian personnel benefits	14	15	14
21.0 Travel and transportation of persons	7	7	6
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	2	2	2
24.0 Printing and reproduction	1	1	1

25.2	Other services	24	78	2
25.3	Other purchases of goods and services from Government accounts	3	2	2
26.0	Supplies and materials	4	5	4
31.0	Equipment	2	3	3
41.0	Grants, subsidies, and contributions	342	342	209
99.0	Direct obligations	461	519	302
99.0	Reimbursable obligations	1	8	8
99.9	Total new obligations	462	527	310

Personnel Summary

Identification code 12-1105-0-1-302	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	957	963	867
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	18	18	18

STATE AND PRIVATE FORESTRY

(Legislative proposal, subject to PAYGO)

Object Classification (in millions of dollars)

Identification code 12-1105-4-1-302	2004 actual	2005 est.	2006 est.
25.2 Other services			-1
25.3 Other purchases of goods and services from Government accounts			1
99.9 Total new obligations			

MANAGEMENT OF NATIONAL FOREST LANDS FOR SUBSISTENCE USES

For necessary expenses of the Forest Service to manage Federal lands in Alaska for subsistence uses under title VIII of the Alaska National Interest Lands Conservation Act (Public Law 96-487), [\$5,962,000] \$5,467,000, to remain available until expended, of which not to exceed \$100,000 may be transferred to and merged with the "Office of General Counsel," Department of Agriculture, for salaries and related expenses incurred in providing legal services in relation to subsistence management. (Department of the Interior and Related Agencies Appropriations Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12-1119-0-1-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Direct Program Activity	6	7	5
10.00 Total new obligations	6	7	5
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	
22.00 New budget authority (gross)	6	6	5
23.90 Total budgetary resources available for obligation	7	7	5
23.95 Total new obligations	-6	-7	-5
24.40 Unobligated balance carried forward, end of year	1		
New budget authority (gross), detail:			
40.00 Discretionary:			
Appropriation	6	6	5
Change in obligated balances:			
72.40 Obligated balance, start of year	2	2	3
73.10 Total new obligations	6	7	5
73.20 Total outlays (gross)	-6	-6	-5
74.40 Obligated balance, end of year	2	3	3
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6	6	5
Net budget authority and outlays:			
89.00 Budget authority	6	6	5

90.00 Outlays

6 6 5

Funding under this program primarily supports fisheries and wildlife habitat management activities in the areas of population assessment, forecasting, harvest regulations, and law enforcement to ensure that the subsistence needs of qualified rural Alaskans are met under the Alaska National Interest Lands Conservation Act (Public Law 96-487).

Object Classification (in millions of dollars)

Identification code 12-1119-0-1-302	2004 actual	2005 est.	2006 est.
11.1 Personnel compensation: Full-time permanent	2	1	1
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	3	5	3
99.9 Total new obligations	6	7	5

Personnel Summary

Identification code 12-1119-0-1-302	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	29	26	25

WILDLAND FIRE MANAGEMENT

For necessary expenses for forest fire suppression activities on National Forest System lands, for emergency fire suppression on or adjacent to such lands or other lands under fire protection agreement, [hazardous fuels reduction on or adjacent to such lands,] and for emergency rehabilitation of burned-over National Forest System lands and water, [\$1,727,008,000] \$1,444,267,000, to remain available until expended: *Provided*, That such funds including unobligated balances under this heading, are available for repayment of advances from other appropriations accounts previously transferred for such purposes: *Provided further*: That any unobligated balances remaining may be transferred to the "National Forest System" account and available without further appropriation to fund vegetative treatments that improve condition class: *Provided further*, That such funds shall be available to reimburse State and other cooperating entities for services provided in response to wildfire and other emergencies or disasters to the extent such reimbursements by the Forest Service for non-fire emergencies are fully repaid by the responsible emergency management agency: *Provided further*, That not less than 50 percent of any unobligated balances remaining (exclusive of amounts for hazardous fuels reduction) at the end of fiscal year 2004 shall be transferred, as repayment for past advances that have not been repaid, to the fund established pursuant to section 3 of Public Law 71-319 (16 U.S.C. 576 et seq.): *Provided further*, That, notwithstanding any other provision of law, \$8,000,000 of funds appropriated under this appropriation shall be used for Fire Science Research in support of the Joint Fire Science Program: *Provided further*, That all authorities for the use of funds, including the use of contracts, grants, and cooperative agreements, available to execute the Forest and Rangeland Research appropriation, are also available in the utilization of these funds for Fire Science Research: *Provided further*, That funds provided shall be available for emergency rehabilitation and restoration, [hazardous fuels reduction activities in the urban-wildland interface,] support to Federal emergency response, and wildfire suppression activities of the Forest Service: *Provided further*, That of the funds provided, [\$266,238,000 is for hazardous fuels reduction activities,] \$2,000,000 is for rehabilitation and restoration, [\$22,025,000] \$16,885,000 is for research activities and to make competitive research grants pursuant to the Forest and Rangeland Renewable Resources Research Act, as amended (16 U.S.C. 1641 et seq.), [\$40,745,000] \$29,415,000 is for State fire assistance, [\$8,000,000] \$7,889,000 is for volunteer fire assistance, [\$15,000,000] \$6,974,000 is for forest health activities on Federal lands and [\$10,000,000] \$4,598,000 is for forest health activities on State and private lands: *Provided further*, That amounts in this paragraph may be transferred to the "State and Private Forestry", "National Forest System", and "Forest and Rangeland Research" accounts to fund State fire assistance, volunteer fire assistance, forest health management, forest and rangeland research, vegetation and

General and special funds—Continued

WILDLAND FIRE MANAGEMENT—Continued

watershed management, heritage site rehabilitation, and wildlife and fish habitat management and restoration: *Provided further*, That transfers of any amounts in excess of those authorized in this paragraph, shall require [approval of] notification to the House and Senate Committees on Appropriations [in compliance with reprogramming procedures contained in House Report 108–330]: *Provided further*, That the costs of implementing any cooperative agreement between the Federal Government and any non-Federal entity may be shared, as mutually agreed on by the affected parties: *Provided further*, That [in addition to funds provided for State Fire Assistance programs, and subject to all authorities available to the Forest Service under the State and Private Forestry Appropriations, up to \$15,000,000 may be used on adjacent non-Federal lands for the purpose of protecting communities when hazard reduction activities are planned on national forest lands that have the potential to place such communities at risk: *Provided further*, That included in funding for hazardous fuel reduction is \$5,000,000 for implementing the Community Forest Restoration Act, Public Law 106–393, title VI, and any portion of such funds shall be available for use on non-Federal lands in accordance with authorities available to the Forest Service under the State and Private Forestry Appropriation: *Provided further*, That] the Secretary of the Interior and the Secretary of Agriculture may authorize the transfer of funds appropriated for wildland fire management, in an aggregate amount not to exceed \$12,000,000, between the Departments when such transfers would facilitate and expedite jointly funded wildland fire management programs and projects: *Provided further*, That [of the funds provided for hazardous fuels reduction, not to exceed \$5,000,000, may be used to make grants, using any authorities available to the Forest Service under the State and Private Forestry appropriation, for the purpose of creating incentives for increased use of biomass from national forest lands] the Secretary of Agriculture may use the amounts appropriated under this heading for rehabilitation and restoration and other activities authorized under this heading on Federal land or on adjacent non-Federal land for activities that benefit resources on Federal lands. (Department of the Interior and Related Agencies Appropriations Act, 2005.)

[For an additional amount for “Wildland Fire Management”, \$1,028,000, to remain available until expended, to address damages from natural disasters: *Provided*, That such amount is designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108–287.]

[DEPARTMENT OF THE INTERIOR]

[BUREAU OF LAND MANAGEMENT]

[WILDLAND FIRE MANAGEMENT]

[For an additional amount for “Wildland Fire Management”, \$100,000,000, to remain available until expended, for urgent wildland fire suppression activities pursuant to section 312 of S. Con. Res. 95 (108th Congress) as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108–287: *Provided*, That such funds shall only become available if funds provided for wildland fire suppression in title I of this Act will be exhausted imminently and the Secretary of the Interior notifies the House and Senate Committees on Appropriations and the House and Senate Committees on the Budget in writing of the need for these additional funds: *Provided further*, That such funds are also available for repayment to other appropriation accounts from which funds were transferred for wildfire suppression: *Provided further*, That cost containment measures shall be implemented within this account for fiscal year 2005, and the Secretary of the Interior and the Secretary of Agriculture shall submit a joint report to the Committees on Appropriations of the Senate and the House of Representatives on such cost containment measures by December 31, 2005: *Provided further*, That Public Law 108–287, title X, chapter 3 is amended under the heading “Department of the Interior, Bureau of Land Management, Wildland Fire Management”, by striking the phrases “for fiscal year 2004” and “related to the fiscal year 2004 fire season” in the text preceding the first proviso.]

[DEPARTMENT OF AGRICULTURE]

[FOREST SERVICE]

[WILDLAND FIRE MANAGEMENT]

[For an additional amount for “Wildland Fire Management”, \$400,000,000, to remain available until expended, for urgent wildland fire suppression activities pursuant to section 312 of S. Con. Res. 95 (108th Congress) as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108–287: *Provided*, That such funds shall only become available if funds provided for wildland fire suppression in title II of this Act will be exhausted imminently and the Secretary of Agriculture notifies the House and Senate Committees on Appropriations and the House and Senate Committees on the Budget in writing of the need for these additional funds: *Provided further*, That such funds are also available for repayment to other appropriation accounts from which funds were transferred for wildfire suppression: *Provided further*, That cost containment measures shall be implemented within this account for fiscal year 2005, and the Secretary of Agriculture and the Secretary of the Interior shall submit a joint report to the Committees on Appropriations of the Senate and the House of Representatives on such cost containment measures by December 31, 2005: *Provided further*, That the Secretary of Agriculture shall establish an independent cost-control review panel to examine and report on fire suppression costs for individual wildfire incidents that exceed \$10,000,000 in cost: *Provided further*, That if the independent review panel report finds that appropriate actions were not taken to control suppression costs for one or more such wildfire incidents, then an amount equal to the aggregate estimated excess costs of suppressing those wildfire incidents shall be transferred to the Treasury from unobligated balances remaining at the end of fiscal year 2005 in the Wildland Fire Management account: *Provided further*, That Public Law 108–287, title X, chapter 3 is amended under the heading “Department of Agriculture, Forest Service, Wildland Fire Management”, by striking the phrases “for fiscal year 2004” and “related to the fiscal year 2004 fire season” in the text preceding the first proviso.] (Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)

Program and Financing (in millions of dollars)

Identification code 12–1115–0–1–302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Wildland fire management	1,774	2,334	1,376
09.01 Reimbursable program	102	43	43
10.00 Total new obligations	1,876	2,377	1,419
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	311	313	.....
22.00 New budget authority (gross)	2,069	2,064	1,419
22.10 Resources available from recoveries of prior year obligations	8	.....	.....
22.21 Unobligated balance transferred to other accounts	–199	.....	.....
23.90 Total budgetary resources available for obligation	2,189	2,377	1,419
23.95 Total new obligations	–1,876	–2,377	–1,419
24.40 Unobligated balance carried forward, end of year	313	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	2,369	2,128	1,444
40.35 Appropriation permanently reduced	–22	–29	.....
41.00 Transferred to other accounts	–337	–108	–68
42.00 Transferred from other accounts .....	.....	30	.....
43.00 Appropriation (total discretionary)	2,010	2,021	1,376
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	43	43	43
68.10 Change in uncollected customer payments from Federal sources (unexpired)	16	.....	.....
68.90 Spending authority from offsetting collections (total discretionary)	59	43	43
70.00 Total new budget authority (gross)	2,069	2,064	1,419
Change in obligated balances:			
72.40 Obligated balance, start of year	457	329	924
73.10 Total new obligations	1,876	2,377	1,419

73.20	Total outlays (gross)	-1,980	-1,782	-1,508
73.45	Recoveries of prior year obligations	-8	.....	.....
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-16	.....	.....
74.40	Obligated balance, end of year	329	924	835
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	1,443	1,503	1,277
86.93	Outlays from discretionary balances	537	279	231
87.00	Total outlays (gross)	1,980	1,782	1,508
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-16	-16	-16
88.40	Non-Federal sources	-27	-27	-27
88.90	Total, offsetting collections (cash)	-43	-43	-43
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-16	.....	.....
Net budget authority and outlays:				
89.00	Budget authority	2,010	2,021	1,376
90.00	Outlays	1,937	1,739	1,465

Wildland Fire Management.—This appropriation provides funding for Forest Service fire management, suppression, and suppression on National Forest System lands, adjacent State and private lands, and other lands under fire protection agreement.

Preparedness.—To protect National Forest System (NFS) lands from damage by wildfires commensurate with the threat to life, values at risk, public values, and management objectives.

Preparedness provides the basic fire organization and capability to prevent forest fires and to take prompt, effective initial attack suppression operations action on wildfires. This funding covers expenses associated with planning, prevention, detection, information, and education; pre-incident training; equipment and supply purchase and replacement; and other preparedness activities, including the base salary and travel of the regular Forest Service firefighting organization. Through this program the Forest Service also assists other Federal agencies and States with training programs, planning assistance, sharing joint equipment use contracts, and interagency fire coordination centers.

Fire Operations.—To appropriately suppress wildland fires on or threatening NFS lands or other lands under fire protection agreement. The Budget provides full funding of the ten-year average of suppression costs, adjusted for inflation.

The budget addresses Federal wildfire suppression costs that have exceeded \$1 billion for four out of the last five years. Specifically, the Administration proposes that the Forest Service:

- Implement cost containment performance measures and clearer rules concerning the use of suppression resources, including incentives for rapid demobilization.
- Implement key recommendations of the PART review on the fire program to improve accountability for fire costs and improves performance measurement.
- Provide for greater program accountability at national headquarters.
- Implement the agency's stratified suppression cost model.
- Allocate not less than 50% of suppression funds to Forest Service regions and permit regions to retain the majority of unobligated funds for use in hazardous fuels reduction activities in subsequent fiscal years.

Additionally, Fire Operations funds are used to immediately and efficiently rehabilitate severely burned NFS lands to prevent further destruction of natural resources and property, including soil loss and flooding. Funds are used to provide an appropriate level of fire preparedness when predicted or

actual burning conditions exceed normal levels and are also used to support the joint fire sciences program.

Funds are provided to enhance State and private programs that will contribute to cooperative fire assistance, increased fire department readiness, and forest health programs to reduce fire risk. Funds would also be available to facilitate and expedite USDA and Department of the Interior jointly funded wildland fire management programs and projects.

Object Classification (in millions of dollars)

Identification code 12-1115-0-1-302	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	385	398	318
11.3 Other than full-time permanent	60	62	49
11.5 Other personnel compensation	164	170	136
11.8 Special personal services payments	29	30	24
11.9 Total personnel compensation	638	660	527
12.1 Civilian personnel benefits	163	168	134
13.0 Benefits for former personnel	30	31	25
21.0 Travel and transportation of persons	47	47	47
22.0 Transportation of things	7	7	7
23.1 Rental payments to GSA	9	9	9
23.2 Rental payments to others	18	18	18
23.3 Communications, utilities, and miscellaneous charges	34	34	34
24.0 Printing and reproduction	2	1	1
25.2 Other services	580	1,099	314
25.3 Other purchases of goods and services from Government accounts	65	65	65
25.7 Operation and maintenance of equipment	5	5	5
26.0 Supplies and materials	119	119	119
31.0 Equipment	20	34	34
41.0 Grants, subsidies, and contributions	30	30	30
42.0 Insurance claims and indemnities	7	7	7
99.0 Direct obligations	1,774	2,334	1,376
99.0 Reimbursable obligations	102	43	43
99.9 Total new obligations	1,876	2,377	1,419

Personnel Summary

Identification code 12-1115-0-1-302	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	11,174	11,154	8,680
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	51	51	51

WILDLAND FIRE MANAGEMENT (Legislative proposal, subject to PAYGO)

Object Classification (in millions of dollars)

Identification code 12-1115-4-1-302	2004 actual	2005 est.	2006 est.
25.2 Other services	-14
25.3 Other purchases of goods and services from Government accounts	14
99.9 Total new obligations

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 percent of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the 16 Western States, pursuant to section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended, of which not to exceed 6 percent shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements. (Department of the Interior and Related Agencies Appropriations Act, 2005.)

General and special funds—Continued

RANGE BETTERMENT FUND—Continued

Unavailable Receipts (in millions of dollars)

Identification code 12-5207-0-2-302	2004 actual	2005 est.	2006 est.
01.99 Balance, start of year	4	4	4
Receipts:			
02.20 Receipts, Cooperative range improvements	2	2	2
04.00 Total: Balances and collections	6	6	6
Appropriations:			
05.00 Range betterment fund	-2	-2	-3
07.99 Balance, end of year	4	4	3

Program and Financing (in millions of dollars)

Identification code 12-5207-0-2-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Range betterment fund	3	3	3
10.00 Total new obligations	3	3	3
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1	1	.....
22.00 New budget authority (gross)	2	2	3
23.90 Total budgetary resources available for obligation	3	3	3
23.95 Total new obligations	-3	-3	-3
24.40 Unobligated balance carried forward, end of year	1	.....	.....
New budget authority (gross), detail:			
Discretionary:			
40.20 Appropriation (special fund)	2	2	3
Change in obligated balances:			
72.40 Obligated balance, start of year	1	1	1
73.10 Total new obligations	3	3	3
73.20 Total outlays (gross)	-3	-3	-2
74.40 Obligated balance, end of year	1	1	2
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	2	2	2
86.93 Outlays from discretionary balances	1	1	.....
87.00 Total outlays (gross)	3	3	2
Net budget authority and outlays:			
89.00 Budget authority	2	2	3
90.00 Outlays	3	3	2

Fifty percent of grazing fees from National Forests in the 16 western States, once appropriated, are used to protect and improve rangeland productivity primarily through revegetation, construction and reconstruction, and maintenance of improvements under authority of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1751), as amended.

Object Classification (in millions of dollars)

Identification code 12-5207-0-2-302	2004 actual	2005 est.	2006 est.
11.1 Personnel compensation: Full-time permanent	1	1	1
25.2 Other services	1	.....	.....
26.0 Supplies and materials	1	2	2
99.9 Total new obligations	3	3	3

Personnel Summary

Identification code 12-5207-0-2-302	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	19	19	19

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4 through 11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, [[\$61,866,000]] \$40,000,000, to be derived from the Land and Water Conservation Fund and to remain available until expended.

ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, \$1,069,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, such sums, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities, and for authorized expenditures from funds deposited by non-Federal parties pursuant to Land Sale and Exchange Acts, pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended. (16 U.S.C. 4601-516-617a, 555a; P.L. 96-586; P.L. 76-589, 76-591; and 78-310; Department of the Interior and Related Agencies Appropriations Act, 2005.)

Unavailable Receipts (in millions of dollars)

Identification code 12-9923-0-2-302	2004 actual	2005 est.	2006 est.
01.99 Balance, start of year	1	4	35
Receipts:			
02.20 National forest lands under special acts	3	32	71
04.00 Total: Balances and collections	4	36	106
Appropriations:			
05.00 Land acquisition .....	.....	-1	-1
07.99 Balance, end of year	4	35	105

Program and Financing (in millions of dollars)

Identification code 12-9923-0-2-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Land acquisition	102	156	41
10.00 Total new obligations	102	156	41

Budgetary resources available for obligation:

21.40 Unobligated balance carried forward, start of year	30	94	.....
22.00 New budget authority (gross)	122	62	41
22.22 Unobligated balance transferred from other accounts	44	.....	.....
23.90 Total budgetary resources available for obligation	196	156	41
23.95 Total new obligations	-102	-156	-41
24.40 Unobligated balance carried forward, end of year	94	.....	.....

New budget authority (gross), detail:

Discretionary:			
40.20 Appropriation (LWCF)	71	62	40
40.20 Appropriation (special act) .....	.....	1	1
40.37 Appropriation temporarily reduced	-1	-1	.....
42.00 Transferred from other accounts	52	.....	.....
43.00 Appropriation (total discretionary)	122	62	41

Change in obligated balances:

72.40 Obligated balance, start of year	18	20	23
73.10 Total new obligations	102	156	41
73.20 Total outlays (gross)	-100	-153	-48
74.40 Obligated balance, end of year	20	23	16

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	92	41	27
86.93 Outlays from discretionary balances	8	112	21
87.00 Total outlays (gross)	100	153	48

Net budget authority and outlays:

89.00 Budget authority	122	62	41
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90.00	Outlays	101	153	48
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This appropriation consolidates land acquisition authorities for acquisition of lands, waters, or interest therein, as authorized by law.

Land and Water Conservation Fund.—Recreation lands and interests are acquired within areas of the National Forest System, wilderness, wildlife and fisheries habitat management areas, and endangered species and other areas for public outdoor recreation purposes.

Acquisition of Lands of National Forests, Special Acts.—To acquire lands within critical watersheds to provide soil stabilization and restoration of vegetation. Public Laws 76-589, 76-591 and 78-310 (54 Stat. 297, 298, 299, and 402; and 58 Stat. 227-228) authorize appropriations for the purchase of lands to minimize erosion and flood damage to critical watersheds within the following National Forests: the Cache, Uinta, and Wasatch, Utah; the Toiyabe, Nevada; and the Angeles, Cleveland, San Bernardino, and Sequoia, California. Appropriations are made from receipts on these National Forests.

Acquisition of Lands to Complete Land Exchanges.—Deposits made by State, county, or municipal governments, public school districts, or other public school authorities for cash equalization of certain land exchanges are used to acquire similar lands suitable for National Forest System purposes in the same State as the National Forest lands conveyed in the land exchange or from non-Federal parties for authorized expenditures.

Object Classification (in millions of dollars)

Identification code 12-9923-0-2-302	2004 actual	2005 est.	2006 est.
11.1 Personnel compensation: Full-time permanent	8	8	8
12.1 Civilian personnel benefits	2	2	2
25.2 Other services	9	9	3
31.0 Equipment .....	.....	1	1
32.0 Land and structures	83	136	27
99.9 Total new obligations	102	156	41

Personnel Summary

Identification code 12-9923-0-2-302	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	141	138	134

FOREST SERVICE PERMANENT APPROPRIATIONS

Unavailable Receipts (in millions of dollars)

Identification code 12-9921-0-2-999	2004 actual	2005 est.	2006 est.
01.99 Balance, start of year	243	232	210
Receipts:			
02.20 National forests fund	-23	.....	.....
02.21 Charges, user fees, and natural resource utilization, Land betwe	7	4	4
02.22 National forests fund, Payments to States	96	92	92
02.23 Timber roads, Purchaser elections	7	7	7
02.24 National forests fund, Roads and trails for States	13	18	18
02.25 Timber salvage sales	76	75	75
02.26 Deposits, Brush disposal	14	14	15
02.27 Rents and charges for quarters, Forest Service	8	8	8
02.28 Timber sales pipeline restoration fund	6	6	7
02.29 Recreational fee demonstration program, Forest Service	47	47	49
02.31 Midewin national tallgrass prairie rental fees	1	1	1
02.32 National grasslands	-16	.....	.....
02.33 Miscellaneous special funds, Forest Service	10	5	5
02.34 National forest fund	12	24	23
02.35 Fees, operation, and maintenance of recreation facilities, Forest Service	4	4	4
02.36 Miscellaneous collections .....	.....	1	1

02.99 Total receipts and collections	262	306	309
04.00 Total: Balances and collections	505	538	519
Appropriations:			
05.00 Forest Service permanent appropriations	-273	-328	-369
07.99 Balance, end of year	232	210	150

Program and Financing (in millions of dollars)

Identification code 12-9921-0-2-999	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.01 Brush Disposal	12	14	15
00.02 Restoration of Forest Lands and Improvements	-2	4	4
00.03 Recreation Fee Collections	1	.....	.....
00.04 Recreation Fee Demonstration / Enhancement Programs	46	36	38
00.05 Stewardship Contracting .....	.....	2	2
00.06 Timber Roads—Purchaser Election Program	2	7	7
00.07 Timber Salvage Sale Program	63	65	70
00.08 Timber Pipeline Restoration Fund	6	5	5
00.09 Roads and Trails (10% Fund)	3	18	18
00.10 Midewin Tallgrass Prairie Funds	1	1	1
00.11 Operation and Maintenance of Quarters	4	9	9
00.12 Land Between the Lakes Management Fund	4	4	4
00.13 Valles Caldera Fund	1	1	1
00.14 Payment to States—Northern Spotted Owl Guarantee	5	.....	.....
00.15 Payment to States—Transfers from Treasury	316	310	310
00.16 Payment to States—National Forest Fund	71	91	91
00.17 Payments to Minnesota	2	2	2
00.18 Payments to Counties—National Grasslands	6	6	6
00.19 Administration of Rights-of-Way and Other Land Uses .....	.....	3	.....
00.20 Land Acquisition and Enhancement Fund .....	.....	18	25
10.00 Total new obligations	541	596	608

Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	230	433	475
22.00 New budget authority (gross)	639	638	679
22.10 Resources available from recoveries of prior year obligations	61	.....	.....
22.22 Unobligated balance transferred from other accounts	44	.....	.....
23.90 Total budgetary resources available for obligation	974	1,071	1,154
23.95 Total new obligations	-541	-596	-608
24.40 Unobligated balance carried forward, end of year	433	475	546

New budget authority (gross), detail:			
42.00 Transferred from other accounts	52	.....	.....
Mandatory:			
60.00 Appropriation	316	310	310
60.20 Appropriation (special fund)	273	328	369
62.50 Appropriation (total mandatory)	589	638	679
69.10 Change in uncollected customer payments from Federal sources (unexpired)	-2	.....	.....
70.00 Total new budget authority (gross)	639	638	679

Change in obligated balances:			
72.40 Obligated balance, start of year	103	33	-64
73.10 Total new obligations	541	596	608
73.20 Total outlays (gross)	-548	-693	-769
73.40 Adjustments in expired accounts (net)	-3	.....	.....
73.45 Recoveries of prior year obligations	-61	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	2	.....	.....
74.40 Obligated balance, end of year	33	-64	-225

Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	34	.....	.....
86.97 Outlays from new mandatory authority	484	593	624
86.98 Outlays from mandatory balances	30	100	145
87.00 Total outlays (gross)	548	693	769

Offsets:			
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	2	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	641	638	679

General and special funds—Continued

FOREST SERVICE PERMANENT APPROPRIATIONS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-9921-0-2-999	2004 actual	2005 est.	2006 est.
90.00 Outlays	548	693	769

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2004 actual	2005 est.	2006 est.
Budget Authority	641	638	679
Outlays	548	693	769
Legislative proposal, subject to PAYGO:			
Budget Authority		47	
Outlays		38	
Total:			
Budget Authority	641	638	726
Outlays	548	693	807

Operation and Maintenance of Quarters.—Quarters rental deductions are collected from employees occupying Forest Service facilities. Amounts are deposited into a special fund and are available for the maintenance and operation of employee-occupied quarters. (5 U.S.C. 5911)

Resource Management, Timber Receipts.—Funds in this special account are available for trail maintenance, reconstruction, and construction; wildlife and fisheries habitat management; soil, water, and air management; cultural/heritage resource management; wilderness management; reforestation; and timber sale administration and management.

Recreation Fee Program.—Pursuant to Sec. 8 of Division J—Consolidated Appropriations Act, 2005, Title VII—Federal Lands Recreation Enhancement Act, 2005, Public Law 108-447 of December 8, 2004, the Secretary may establish, modify, charge, and collect recreation fees at Federal recreational lands and waters, including specific recreation sites or areas, for expanded recreation amenities, and special recreation permits. Amounts collected shall be used for repair, maintenance, interpretation, visitor information, limited habitat restoration, and direct operating or capital costs and other identified appropriate expenses.

Midewin National Tallgrass Prairie Rental Fees.—Monies received under a special use authorization (issued under subsection (b) of Public Law 104-106, Title XXIX, Subtitle A, Section 2915, after distribution to the State of Illinois and affected counties pursuant to the Act of May 23, 1908) are available to cover the cost to the United States of prairie improvement work at the Midewin National Tallgrass Prairie.

Midewin National Tallgrass Prairie Restoration Fund.—Monies received from user fees and the salvage value proceeds from sale of any facilities and improvements pursuant to Section 2915(d) and (e) of Public Law 104-106, as amended by Public Law 105-83, are available to cover the costs of restoration and administrative activities.

Payment to Minnesota.—At the close of each fiscal year, the State of Minnesota is paid 0.75 percent of the appraised value of certain Superior National Forest lands in the counties of Cook Lake and St. Louis for distribution to these counties (16 U.S.C. 577g).

Payments to Counties, National Grasslands.—This program provides an annual payment to counties in which Title III—Bankhead-Jones Acquired Lands are located for funding public schools and roads. Of the net revenues for use of Title III—Bankhead-Jones Farm Tenant Act lands, 25 percent is paid to the counties in which such lands are located for public school and road purposes (7 U.S.C. 1012).

Payments to States.—The Secure Rural Schools and Community Self-Determination Act of 2000 (P.L. 106-393 dated October 30, 2000) provides stabilized education and road

maintenance funding through predictable payments to counties, job creation in those counties and other opportunities associated with the restoration, maintenance and stewardship of Federal lands. Under P.L. 106-393, counties may elect one of two methods to calculate Payments to States funding they receive. Counties can either choose to continue receiving funds established by the 25 percent fund or they can receive their share of the State's "full payment amount." Full payment amount is the average of the highest three years of payments to the State under the 25 percent fund through the years 1986-1999. A county's share of that amount is generally determined by the State in cooperation with the affected counties.

Expenses, Brush Disposal.—Funds from payments by purchasers of National Forest timber to dispose of or treat slash and other debris that result from cutting operations (16 U.S.C. 490).

Licensee programs, Forest Service.—Funds from fees for the use of characters by private enterprises are collected under regulations promulgated by the Secretary as follows:

Smokey Bear.—For furthering the nationwide forest fire prevention campaign (16 U.S.C. 580(2)).

Woodsy Owl.—For promoting wise use of the environment and programs which foster maintenance and improvement of environmental quality (16 U.S.C. 580(1)).

Restoration of forestlands and improvements.—Funds from claim settlements involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement of forfeiture (16 U.S.C. 579c).

Timber Purchaser Roads Constructed by Forest Service.—Funds from timber receipts for Government constructed permanent roads for purchasers of timber who qualify as small businesses and elect to have the Forest Service construct the roads designated under the timber sale contract where costs exceed \$20,000 (16 U.S.C. 472a(i)).

Tongass Timber Supply Fund.—Funds from sales of Alaska timber to maintain the timber supply from the Tongass National Forest at a specified level (16 U.S.C. 539d).

Timber Salvage Sales.—Funds are used for salvage of insect-infested, dead, damaged, or down timber, and to remove associated trees for stand improvement (16 U.S.C. 472a(h)).

Timber Sales Pipeline Restoration Fund.—As authorized under Section 327 of the Omnibus Consolidated Recissions and Appropriations Act of 1996, funds from revenues received from timber sales released under Section 2001(k) of the 1995 Supplemental Appropriations for Disaster Assistance and Recissions Act for the purpose of restoring the timber pipeline and funding the backlog of recreation projects on National Forest System lands.

Valles Caldera Fund established under the Valles Caldera Preservation Act (Public Law 106-248) provides funds, which shall be available without further appropriation for any purpose consistent with the purposes of the Act. Notwithstanding sections 1341 and 3302 of title 31 of the United States Code, all monies received from donations under subsection (g) or from the management of the Preserve shall be retained and shall be available, without further appropriation, for the administration, preservation, restoration, operation and maintenance, improvement, repair, and related expenses incurred with respect to properties under its management jurisdiction.

Forest Botanical Products.—This pilot program established by Section 339 of the Consolidated Appropriations Act of FY 2000 (P.L. 106-113) provides for the recovery of fair market value for the sale of forest botanical products; the collection of fees to cover the costs of analyzing, granting, modifying, and monitoring the harvest of these products; the determination of sustainable harvest levels; and the establishment of personal use levels for which fees would not be collected.

Administration of Rights-of-Way and Other Land Uses.—Fees collected from applicants and holders of special use authorizations are available to recover costs for processing applications and monitoring compliance with special use authorizations (31 U.S.C. 9701; 43 U.S.C. 1764(g); 30 U.S.C. 815(1)).

Object Classification (in millions of dollars)

Identification code 12-9921-0-2-999	2004 actual	2005 est.	2006 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	58	60	61
11.3 Other than full-time permanent	13	13	14
11.5 Other personnel compensation	7	7	7
11.9 Total personnel compensation	78	80	82
12.1 Civilian personnel benefits	19	20	20
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	3	3	3
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	4	4	4
24.0 Printing and reproduction	1	1	1
25.2 Other services	36	50	51
25.3 Other purchases of goods and services from Government accounts	6	6	6
25.7 Operation and maintenance of equipment	1	1	2
26.0 Supplies and materials	6	15	15
31.0 Equipment	2	2	4
32.0 Land and structures	3	24	30
41.0 Grants, subsidies, and contributions	376	386	386
99.0 Direct obligations	539	596	608
99.0 Reimbursable obligations	2	.....	.....
99.9 Total new obligations	541	596	608

Personnel Summary

Identification code 12-9921-0-2-999	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,747	1,832	1,865

FOREST SERVICE PERMANENT APPROPRIATIONS
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-9921-4-2-999	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
00.19 Administration of Rights-of-Way and Other Land Uses	4
00.20 Land Acquisition and Enhancement Fund	25
10.00 Total new obligations	29
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year
22.00 New budget authority (gross)	47
23.90 Total budgetary resources available for obligation	47
23.95 Total new obligations	-29
24.40 Unobligated balance carried forward, end of year	18
New budget authority (gross), detail:			
Mandatory:			
60.20 Appropriation (special fund)	47
Change in obligated balances:			
72.40 Obligated balance, start of year
73.10 Total new obligations	29
73.20 Total outlays (gross)	-38
74.40 Obligated balance, end of year	-9

Outlays (gross), detail:			
86.97 Outlays from new mandatory authority .....	.....	.....	38
Net budget authority and outlays:			
89.00 Budget authority .....	.....	.....	47
90.00 Outlays .....	.....	.....	38

A proposal for a Facilities Acquisition and Enhancement Fund would enable the Secretary to sell unneeded administrative sites including facilities and appurtenant administrative land, and to use the proceeds for acquiring administrative lands, construction, maintenance, rehabilitation and improvement of administrative sites. The agency currently experiences a \$2.8 billion backlog that has accumulated because of inadequate and untimely maintenance. Over 60 percent of the agency's facilities are over 30 years old and functionally obsolete.

Object Classification (in millions of dollars)

Identification code 12-9921-4-2-999	2004 actual	2005 est.	2006 est.
Personnel compensation:			
11.1 Full-time permanent	8
11.3 Other than full-time permanent	3
11.5 Other personnel compensation	1
11.9 Total personnel compensation	12
12.1 Civilian personnel benefits	3
25.2 Other services	3
26.0 Supplies and materials	2
32.0 Land and structures	9
99.9 Total new obligations	29

Personnel Summary

Identification code 12-9921-4-2-999	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	250

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 12-4605-0-4-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
09.01 Working Capital fund	209	187	187
10.00 Total new obligations	209	187	187
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	68	110	110
22.00 New budget authority (gross)	245	187	187
22.10 Resources available from recoveries of prior year obligations	3	.....	.....
22.22 Unobligated balance transferred from other accounts	4	.....	.....
23.90 Total budgetary resources available for obligation	320	297	297
23.95 Total new obligations	-209	-187	-187
24.40 Unobligated balance carried forward, end of year	110	110	110
New budget authority (gross), detail:			
Discretionary:			
42.00 Transferred from other accounts	5	.....	.....
Mandatory:			
69.00 Offsetting collections (cash)	237	187	187
69.10 Change in uncollected customer payments from Federal sources (unexpired)	3	.....	.....
69.90 Spending authority from offsetting collections (total mandatory)	240	187	187
70.00 Total new budget authority (gross)	245	187	187
Change in obligated balances:			
72.40 Obligated balance, start of year .....	.....	.....	22

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

Program and Financing (in millions of dollars)—Continued			
Identification code 12-4605-0-4-302	2004 actual	2005 est.	2006 est.
73.10 Total new obligations	209	187	187
73.20 Total outlays (gross)	—241	—194	—187
73.45 Recoveries of prior year obligations	—3	.....	.....
74.00 Change in uncollected customer payments from Federal sources (unexpired)	—3	.....	.....
74.40 Obligated balance, end of year	29	22	22
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	5	.....	.....
86.93 Outlays from discretionary balances .....	.....	1	.....
86.97 Outlays from new mandatory authority	210	168	168
86.98 Outlays from mandatory balances	26	25	19
87.00 Total outlays (gross)	241	194	187
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	—170	—187	—187
88.40 Non-Federal sources	—67	.....	.....
88.90 Total, offsetting collections (cash)	—237	—187	—187
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	—3	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	5	.....	.....
90.00 Outlays	4	7	.....

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2004 actual	2005 est.	2006 est.
Budget Authority	5	.....	.....
Outlays	4	7	.....
Legislative proposal, subject to PAYGO:			
Budget Authority .....	.....	.....	.....
Outlays .....	.....	.....	—5
Total:			
Budget Authority	5	.....	.....
Outlays	4	7	—5

The Working Capital Fund is a self-sustaining revolving fund that provides services to National Forests, to Research Experiment Stations, to other Federal agencies when necessary, to State and private agencies as provided by law, and to persons who cooperate with the Forest Service in fire control and other authorized programs.

Forestry-related supply and support services include:

Equipment Services.—The fund owns, operates, maintains, replaces, and repairs common-use, motor-driven, and similar equipment. This equipment is rented to administrative units, that is, National Forests, Research Experiment Stations, and other units, and, in some cases, to other agencies, at rates which recover the cost of operation, repair and maintenance, management, and depreciation. The rates also include an increment which provides additional cash which, when added to depreciation earnings and the residual value of equipment, provides sufficient funds to replace the equipment.

Aircraft Services.—The fund operates, maintains, and repairs Forest Service owned aircraft used in fire surveillance and suppression and in other Forest Service programs. The aircraft are rented to National Forests, Research Experiment Stations, and in some cases to other agencies, at rates which recover the cost of depreciation, operation, maintenance, repair, and improvements in the airworthiness of the aircraft. Aircraft replacement costs are financed from either appropriated funds or the Forest Service Working Capital Fund, or a combination of both.

Supply Services.—The fund operates the following common services, and provides for cost-recovery of Working Capital Fund Program Management:

Photo reproduction laboratories that store, reproduce, and supply aerial photographs, aerial maps, and other photographs of National Forest lands. Photographic reproductions are sold to National Forests, Experiment Stations, and others at cost.

Sign shops that manufacture and supply special signs for the National Forests for use in regulating traffic and as information to the public and other users of the National Forests. Signs are sold to National Forests and Experiment Stations at cost.

Seed supply services that provide tree seed for direct seeding or sowing in nurseries for the production of trees. Includes purchase or collection of cones, extraction of seeds, cleaning and testing, and storage and delivery. Operates in conjunction with tree nurseries; that is, forest tree nurseries and cold storage facilities for storage of tree seedlings. Tree seedlings are sold to National Forests, State foresters, and other co-operators at cost.

The Budget includes a proposal for the establishment of a working capital fund for facilities. Establishment of this authority will reduce the Forest Service's maintenance costs and expand efforts to address its deferred maintenance backlog. The authority will support facility and space management investment expenses for Forest Service real property, including owned and leased space. The working capital fund will be used for funding capital repair, renovation, rehabilitation, maintenance, disposal, or replacement of buildings and improvements.

Object Classification (in millions of dollars)

Identification code 12-4605-0-4-302	2004 actual	2005 est.	2006 est.
Personnel compensation:			
11.1 Full-time permanent	27	28	29
11.3 Other than full-time permanent	2	2	2
11.5 Other personnel compensation	3	3	3
11.9 Total personnel compensation	32	33	34
12.1 Civilian personnel benefits	9	9	9
21.0 Travel and transportation of persons	3	3	3
22.0 Transportation of things .....	.....	1	1
23.2 Rental payments to others	1	.....	.....
23.3 Communications, utilities, and miscellaneous charges	4	4	4
24.0 Printing and reproduction	1	1	1
25.2 Other services	7	7	7
25.3 Other purchases of goods and services from Government accounts	17	17	16
25.7 Operation and maintenance of equipment	17	18	18
26.0 Supplies and materials	32	30	30
31.0 Equipment	86	64	64
99.9 Total new obligations	209	187	187

Note.—Personnel totals are included with personnel totals of all other Forest Service programs.

Personnel Summary

Identification code 12-4605-0-4-302	2004 actual	2005 est.	2006 est.
Reimbursable:			
2001 Total compensable workyears: Civilian full-time equivalent employment	619	619	619

WORKING CAPITAL FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-4605-0-4-302	2004 actual	2005 est.	2006 est.
Obligations by program activity:			
09.01 Working Capital fund	50

10.00	Total new obligations	50
Budgetary resources available for obligation:		
22.00	New budget authority (gross)	50
23.95	Total new obligations	-50
New budget authority (gross), detail:		
Mandatory:		
69.00	Offsetting collections (cash)	50
Change in obligated balances:		
72.40	Obligated balance, start of year	
73.10	Total new obligations	50
73.20	Total outlays (gross)	-45
74.40	Obligated balance, end of year	5
Outlays (gross), detail:		
86.97	Outlays from new mandatory authority	45
Offsets:		
Against gross budget authority and outlays:		
88.00	Offsetting collections (cash) from: Federal sources	-50
Net budget authority and outlays:		
89.00	Budget authority	
90.00	Outlays	-5

Object Classification (in millions of dollars)

Identification code 12-4605-4-4-302		2004 actual	2005 est.	2006 est.
11.1	Personnel compensation:			
11.1.1	Full-time permanent	8		
11.1.3	Other than full-time permanent	5		
11.1.5	Other personnel compensation	1		
11.9	Total personnel compensation	14		
12.1	Civilian personnel benefits	3		
25.2	Other services	24		
25.7	Operation and maintenance of equipment	3		
26.0	Supplies and materials	5		
31.0	Equipment	1		
99.9	Total new obligations	50		

Personnel Summary

Identification code 12-4605-4-4-302		2004 actual	2005 est.	2006 est.
Reimbursable:				
2001	Total compensable workyears: Civilian full-time equivalent employment		281	

Trust Funds**FOREST SERVICE TRUST FUNDS****Unavailable Receipts** (in millions of dollars)

Identification code 12-9974-0-7-302		2004 actual	2005 est.	2006 est.
01.99	Balance, start of year		154	154
Receipts:				
02.00	Transfers from general fund of amounts equal to certain customs	30	30	30
02.20	Forest Service cooperative fund	112	108	108
02.30	Repayment of wildland fire suppression transfer (proprietary)	154		
02.40	Transfer from TVA for land between the lakes trust fund	1	1	1
02.99	Total receipts and collections	297	139	139
04.00	Total: Balances and collections	297	293	293
Appropriations:				
05.00	Forest Service trust funds	-143	-139	-139
07.99	Balance, end of year	154	154	154

Program and Financing (in millions of dollars)				
Identification code 12-9974-0-7-302		2004 actual	2005 est.	2006 est.
Obligations by program activity:				
00.01	Cooperative Work Trust Fund	111	130	130
00.02	Land Between the Lakes Trust Fund	1	1	1
00.03	Reforestation Trust Fund	18	30	30
10.00	Total new obligations	130	161	161
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	297	306	284
22.00	New budget authority (gross)	139	139	139
23.90	Total budgetary resources available for obligation	436	445	423
23.95	Total new obligations	-130	-161	-161
24.40	Unobligated balance carried forward, end of year	306	284	262
New budget authority (gross), detail:				
Mandatory:				
60.26	Appropriation (trust fund)	143	139	139
69.00	Offsetting collections (cash)	-4		
70.00	Total new budget authority (gross)	139	139	139
Change in obligated balances:				
72.40	Obligated balance, start of year	60	43	74
73.10	Total new obligations	130	161	161
73.20	Total outlays (gross)	-147	-130	-139
74.40	Obligated balance, end of year	43	74	96
Outlays (gross), detail:				
86.97	Outlays from new mandatory authority	116	111	111
86.98	Outlays from mandatory balances	31	19	28
87.00	Total outlays (gross)	147	130	139
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	3		
88.40	Non-Federal sources	1		
88.90	Total, offsetting collections (cash)	4		
Net budget authority and outlays:				
89.00	Budget authority	143	139	139
90.00	Outlays	150	130	139
Memorandum (non-add) entries:				
92.01	Total investments, start of year: Federal securities:			
	Par value	3	4	3
92.02	Total investments, end of year: Federal securities:			
	Par value	4	3	3
Reforestation trust fund. —Amounts from this account are used for reforestation as authorized by 16 U.S.C. 1606a (d) and (e).				
Cooperative work trust fund. —Funds, including deposits from purchasers of timber, are received and used for specified work in forest investigations, protection, and improvement of the National Forest System, including protection, reforestation, and administration of private lands adjacent to National Forests (7 U.S.C. 2269; 16 U.S.C. 498, 535, 565a, 572, 572a, 576b, 1643; and 31 U.S.C. 1321).				
Object Classification (in millions of dollars)				
Identification code 12-9974-0-7-302		2004 actual	2005 est.	2006 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	40	42	42
11.3	Other than full-time permanent	6	7	7
11.5	Other personnel compensation	4	4	4
11.9	Total personnel compensation	50	53	53
12.1	Civilian personnel benefits	14	14	14
13.0	Benefits for former personnel	1	1	2
21.0	Travel and transportation of persons	2	2	2

Reforestation trust fund.—Amounts from this account are used for reforestation as authorized by 16 U.S.C. 1606a (d) and (e).

Cooperative work trust fund.—Funds, including deposits from purchasers of timber, are received and used for specified work in forest investigations, protection, and improvement of the National Forest System, including protection, reforestation, and administration of private lands adjacent to National Forests (7 U.S.C. 2269; 16 U.S.C. 498, 535, 565a, 572, 572a, 576b, 1643; and 31 U.S.C. 1321).

Object Classification (in millions of dollars)

Identification code 12-9974-0-7-302		2004 actual	2005 est.	2006 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	40	42	42
11.3	Other than full-time permanent	6	7	7
11.5	Other personnel compensation	4	4	4
11.9	Total personnel compensation	50	53	53
12.1	Civilian personnel benefits	14	14	14
13.0	Benefits for former personnel	1	1	2
21.0	Travel and transportation of persons	2	2	2

FOREST SERVICE TRUST FUNDS—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-9974-0-7-302	2004 actual	2005 est.	2006 est.
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	1	1	1
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	2	2	3
25.2 Other services	28	61	60
25.3 Other purchases of goods and services from Government accounts	6	6	6
26.0 Supplies and materials	11	11	11
31.0 Equipment	1	1	1
32.0 Land and structures	5	5	5
41.0 Grants, subsidies, and contributions	3	3	1
99.0 Direct obligations	126	161	161
99.0 Reimbursable obligations	4 .....	.....	.....
99.9 Total new obligations	130	161	161

Personnel Summary

Identification code 12-9974-0-7-302	2004 actual	2005 est.	2006 est.
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employment	1,101	1,111	1,082

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations, as follows:

Agriculture:

Agricultural Research Service.
Animal and Plant Health Inspection Service.
Natural Resources Conservation Service.
Watershed and flood prevention operations.
Resource conservation and development.
Conservation Reserve Program.
Department Administration:

Hazardous materials management.

Rural Housing; Rural community fire protection grants.

Transportation: Federal Highway Administration, Highway Trust Fund.

Labor: Employment and Training Administration, Training and employment services.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (1) purchase of not to exceed [124] 119 passenger motor vehicles of which [21] 14 will be used primarily for law enforcement purposes and of which [124] 119 shall be for replacement; acquisition of 25 passenger motor vehicles from excess sources, and hire of such vehicles; purchase, lease, operation, maintenance, and acquisition of aircraft from excess sources to maintain the operable fleet at [195] 335 aircraft for use in Forest Service wildland fire programs and other Forest Service programs; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (2) services pursuant to 7 U.S.C. 2225, and not to exceed \$100,000 for employment under 5 U.S.C. 3109; (3) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (4) acquisition of land, waters, and interests therein pursuant to 7 U.S.C. 428a; (5) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, and 558a note); (6) the cost of uniforms as authorized by 5 U.S.C. 5901-5902; and (7) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

[None of the funds made available under this Act shall be obligated or expended to abolish any region, to move or close any regional office for National Forest System administration of the Forest Service, Department of Agriculture without the consent of the House and Senate Committees on Appropriations.]

[Any appropriations or funds available to the Forest Service may be transferred to the Wildland Fire Management appropriation for forest firefighting, emergency rehabilitation of burned-over or damaged

aged lands or waters under its jurisdiction, and fire preparedness due to severe burning conditions upon notification of the House and Senate Committees on Appropriations and if and only if all previously appropriated emergency contingent funds under the heading "Wildland Fire Management" have been released by the President and apportioned and all wildfire suppression funds under the heading "Wildland Fire Management" are obligated.]

[The first transfer of funds into the Wildland Fire Management account shall include unobligated funds, if available, from the Land Acquisition account and the Forest Legacy program within the State and Private Forestry account.]

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Foreign Agricultural Service in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

[None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C. 147b.]

[Not less than \$20,000,000 of funds under section 8002 of the Farm Security and Rural Investment Act of 2002 is hereby canceled.]

[None of the funds available to the Forest Service may be reprogrammed without the advance approval of the House and Senate Committees on Appropriations in accordance with the reprogramming procedures contained in House Report 108-330.]

[Not more than \$72,467,000 of the funds available to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture.]

Funds available to the Forest Service shall be available to conduct a program of not less than \$2,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps.

Of the funds available to the Forest Service, \$2,500 is available to the Chief of the Forest Service for official reception and representation expenses.

Pursuant to sections 405(b) and 410(b) of Public Law 101-593, of the funds available to the Forest Service, [§3,300,000] up to \$2,250,000 may be advanced in a lump sum to the National Forest Foundation to aid conservation partnership projects in support of the Forest Service mission, without regard to when the Foundation incurs expenses, for administrative expenses or projects on or benefiting National Forest System lands or related to Forest Service programs: *Provided*, That of the Federal funds made available to the Foundation, [§300,000 may be used for Forest Service Centennial activities and, of the total available to the Foundation,] no more than \$350,000 shall be available for administrative expenses: *Provided further*, That the Foundation shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds made available by the Forest Service: *Provided further*, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds: *Provided further*, That authorized investments of Federal funds held by the Foundation may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

Pursuant to section 2(b)(2) of Public Law 98-244, up to \$2,650,000 of the funds available to the Forest Service shall be available for matching funds to the National Fish and Wildlife Foundation, as authorized by 16 U.S.C. 3701-3709, and may be advanced in a lump sum to aid conservation partnership projects in support of the Forest Service mission, without regard to when expenses are incurred, for projects on or benefiting National Forest System lands or related to Forest Service programs: *Provided*, That the Foundation shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds advanced by the Forest Service: *Provided further*, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds.

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities for sustainable rural development purposes.

Funds appropriated to the Forest Service shall be available for payments to counties within the Columbia River Gorge National Scenic Area, pursuant to sections 14(c)(1) and (2), and section 16(a)(2) of Public Law 99–663.

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service not to exceed \$500,000 may be used to reimburse the Office of the General Counsel (OGC), Department of Agriculture, for travel and related expenses incurred as a result of OGC assistance or participation requested by the Forest Service at meetings, training sessions, management reviews, land purchase negotiations and similar non-litigation related matters. Future budget justifications for both the Forest Service and the Department of Agriculture should clearly display the sums previously transferred and the requested funding transfers.

Any appropriations or funds available to the Forest Service may be used for necessary expenses in the event of law enforcement emergencies as necessary to protect natural resources and public or employee safety: *Provided*, That such amounts shall not exceed \$1,000,000.

[For fiscal years 2005 and 2006, the Secretary of Agriculture may authorize the sale of excess buildings, facilities, and other properties owned by the Forest Service and located on the Green Mountain National Forest, the revenues of which shall be retained by the Forest Service and available to the Secretary without further appropriation and until expended for maintenance and rehabilitation activities on the Green Mountain National Forest.]

For each fiscal year through 2009, the Secretary of Agriculture may transfer or reimburse funds available to the Forest Service, not to exceed \$15,000,000, to the Secretary of the Interior or the Secretary of Commerce to expedite conferencing and consultations as required under section 7 of the Endangered Species Act, 16 U.S.C. 1536. The amount of the transfer or reimbursement shall be as mutually agreed by the Secretary of Agriculture and the Secretary of the Interior or Secretary of Commerce, as applicable, or their designees. The amount shall in no case exceed the actual costs of consultation and conferencing.

[Beginning on June 30, 2001 and concluding on December 31, 2005, an] An eligible individual who is employed in any project funded under title V of the Older American Act of 1965 (42 U.S.C. 3056 et seq.) and administered by the Forest Service shall be considered to be a Federal employee for purposes of chapter 171 of title 28, United States Code.

Any funds appropriated to the Forest Service may be used to meet the non-Federal share requirement in section 502(c) of the Older American Act of 1965 (42 U.S.C. 3056(c)(2)).

Funds available to the Forest Service in this Act may be used for the purpose of expenses associated with primary and secondary schooling for dependents of agency personnel stationed in Puerto Rico prior to the date of enactment of this Act, who are subject to transfer and reassignment to other locations in the United States, at a cost not in excess of those authorized for the Department of Defense for the same area, when it is determined by the Chief of the Forest Service that public schools available in the locality are unable to provide adequately for the education of such dependents.

[For fiscal years 2005 and 2006, the Secretary of Agriculture may authorize the sale of excess buildings, facilities, and other properties owned by the Forest Service and located on the Wasatch-Cache National Forest, the revenues of which shall be retained by the Forest Service and available to the Secretary without further appropriation and until expended for acquisition and construction of administrative sites on the Wasatch-Cache National Forest.] (Department of the Interior and Related Agencies Appropriations Act, 2005.)

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the current fiscal year under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed [388] 320 passenger motor vehicles, of which [388] 320 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902).

SEC. 703. Funds appropriated by this Act shall be available for employment pursuant to the second sentence of section 706(a) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2225 and 5 U.S.C. 3109).

SEC. 704. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, information technology infrastructure, fruit fly program, emerging plant pests, boll weevil program, low pathogen avian influenza program, up to [[\$33,197,000]] \$33,340,000 in animal health monitoring and surveillance for the animal identification system, up to [[\$3,000,000]] \$8,123,000 in the emergency management systems program for the vaccine bank, up to \$1,000,000 for wildlife services methods development, up to \$1,000,000 of the wildlife services operations program for aviation safety, and up to 25 percent of the screwworm program; Food Safety and Inspection Service, field automation and information management project; [Cooperative State Research, Education, and Extension Service, funds for competitive research grants (7 U.S.C. 450i(b)), funds for the Research, Education, and Economics Information System, and funds for the Native American Institutions Endowment Fund;] Farm Service Agency, salaries and expenses funds made available to county committees; Foreign Agricultural Service, middle-income country training program, and up to \$1,565,000 of the Foreign Agricultural Service appropriation solely for the purpose of offsetting fluctuations in international currency exchange rates, subject to documentation by the Foreign Agricultural Service.

SEC. 705. The Secretary of Agriculture may transfer unobligated balances of discretionary funds appropriated by this Act or other available unobligated discretionary balances of the Department of Agriculture to the Working Capital Fund for the acquisition of plant and capital equipment necessary for the delivery of financial, administrative, and information technology services of primary benefit to the agencies of the Department of Agriculture: *Provided*, That none of the funds made available by this Act or any other Act shall be transferred to the Working Capital Fund without the prior approval of the agency administrator: *Provided further*, That none of the funds transferred to the Working Capital Fund pursuant to this section shall be available for obligation without the prior approval of the Committees on Appropriations of both Houses of Congress.

SEC. 706. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 707. Not to exceed \$50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to section 606C of the Act of August 28, 1954 (7 U.S.C. 1766b).

SEC. 708. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 709. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

[SEC. 710. None of the funds in this Act shall be available to pay indirect costs charged against competitive agricultural research, education, or extension grant awards issued by the Cooperative State Research, Education, and Extension Service that exceed 20 percent of total Federal funds provided under each award: *Provided*, That notwithstanding section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310), funds provided by this Act for grants awarded competitively by the Cooperative State Research, Education, and Extension Service shall be available to pay full allowable indirect costs for each grant awarded under section 9 of the Small Business Act (15 U.S.C. 638).]

SEC. [711] 710. Notwithstanding any other provision of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. [712] 711. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in the current fiscal year shall remain available until expended to cover obligations made in the current fiscal year for the following accounts: the Rural Development Loan Fund program account, the Rural Telephone Bank program account, the Rural Electrification and Tele-

communication Loans program account, and the Rural Housing Insurance Fund program account.

[SEC. 713.] None of the funds in this Act may be used to retire more than 5 percent of the Class A stock of the Rural Telephone Bank or to maintain any account or subaccount within the accounting records of the Rural Telephone Bank the creation of which has not specifically been authorized by statute: *Provided*, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available in this Act may be used to transfer to the Treasury or to the Federal Financing Bank any unobligated balance of the Rural Telephone Bank telephone liquidating account which is in excess of current requirements and such balance shall receive interest as set forth for financial accounts in section 505(c) of the Federal Credit Reform Act of 1990.]

[SEC. 714.] Of the funds made available by this Act, not more than \$1,800,000 shall be used to cover necessary expenses of activities related to all advisory committees, panels, commissions, and task forces of the Department of Agriculture, except for panels used to comply with negotiated rule makings and panels used to evaluate competitively awarded grants.]

SEC. [715] 712. None of the funds appropriated by this Act may be used to carry out section 410 of the Federal Meat Inspection Act (21 U.S.C. 679a) or section 30 of the Poultry Products Inspection Act (21 U.S.C. 471).

[SEC. 716.] No employee of the Department of Agriculture may be detailed or assigned from an agency or office funded by this Act to any other agency or office of the Department for more than 30 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.]

[SEC. 717.] None of the funds appropriated or otherwise made available to the Department of Agriculture shall be used to transmit or otherwise make available to any non-Department of Agriculture employee questions or responses to questions that are a result of information requested for the appropriations hearing process.]

SEC. [718] 713. None of the funds made available to the Department of Agriculture by this Act may be used to acquire new information technology systems or significant upgrades, as determined by the Office of the Chief Information Officer, without the approval of the Chief Information Officer and the concurrence of the Executive Information Technology Investment Review Board: *Provided*, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be transferred to the Office of the Chief Information Officer [without the] unless prior [approval of the] notification has been transmitted to the Committees on Appropriations of both Houses of Congress: *Provided further*, That none of the funds available to the Department of Agriculture for information technology shall be obligated for projects over \$25,000 prior to receipt of written approval by the Chief Information Officer].

[SEC. 719.] (a) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in the current fiscal year, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out or privatizes any functions or activities presently performed by Federal employees; unless the Committees on Appropriations of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

(b) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in the current fiscal year, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of \$500,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as

approved by Congress; unless the Committees on Appropriations of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

(c) The Secretary of Agriculture, the Secretary of Health and Human Services, or the Chairman of the Commodity Futures Trading Commission shall notify the Committees on Appropriations of both Houses of Congress before implementing a program or activity not carried out during the previous fiscal year unless the program or activity is funded by this Act or specifically funded by any other Act.]

[SEC. 720.] With the exception of funds needed to administer and conduct oversight of grants awarded and obligations incurred in prior fiscal years, none of the funds appropriated or otherwise made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out the provisions of section 401 of Public Law 105-185, the Initiative for Future Agriculture and Food Systems (7 U.S.C. 7621).

[SEC. 721.] None of the funds appropriated by this or any other Act shall be used to pay the salaries and expenses of personnel who prepare or submit appropriations language as part of the President's Budget submission to the Congress of the United States for programs under the jurisdiction of the Appropriations Subcommittees on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies that assumes revenues or reflects a reduction from the previous year due to user fees proposals that have not been enacted into law prior to the submission of the Budget unless such Budget submission identifies which additional spending reductions should occur in the event the user fees proposals are not enacted prior to the date of the convening of a committee of conference for the fiscal year 2006 appropriations Act.]

[SEC. 722.] None of the funds made available by this or any other Act may be used to close or relocate a State Rural Development office unless or until cost effectiveness and enhancement of program delivery have been determined.]

[SEC. 723.] In addition to amounts otherwise appropriated or made available by this Act, \$2,500,000 is appropriated for the purpose of providing Bill Emerson and Mickey Leland Hunger Fellowships, through the Congressional Hunger Center.]

SEC. [724] 714. Notwithstanding section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f), any balances available to carry out title III of such Act as of the date of enactment of this Act, and any recoveries and reimbursements that become available to carry out title III of such Act, may be used to carry out title II of such Act.

[SEC. 725.] Section 375(e)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j(e)(6)(B)) is amended by striking "\$26,998,000" and inserting "\$27,998,000".

[SEC. 726.] (a) None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to collect from the lender at the time of issuance a guarantee fee of less than 2 percent of the principal obligation of guaranteed single-family housing loans administered by the Rural Housing Service: *Provided*, That this section shall not apply to loans made to refinance other single-family housing loans administered by the Rural Housing Service.

(b) Section 502(h)(6)(C) of the Housing Act of 1949 (42 U.S.C. 1472(h)(6)(C)) is amended by inserting "plus the guarantee fee as authorized by subsection (h)(7)" after "whichever is less", in each of paragraphs (i) and (ii).]

[SEC. 727.] Notwithstanding any other provision of law, and until receipt of the decennial Census in the year 2010, the Secretary of Agriculture shall consider—

(1) the City of Salinas, California; the City of Watsonville, California; and the City of Hollister, California, eligible for programs administered by the Rural Housing Service;

(2) the Town of Horseshoe Beach, Florida; the City of Wewahitchka, Florida; the City of Southport, Florida; the City of Resota Beach, Florida; the City of Creedmoor, North Carolina; the County of Lake, Florida; the City of St. Cloud, Florida; the City of Plantation, Florida; the Cleburne County Water Authority of Alabama; and the City of Coburg, Oregon, eligible for loans and grants funded through the rural utilities programs in the Rural Community Advancement Program account;

(3) the City of Casa Grande, Arizona, a rural area for purposes of eligibility for loans and grants provided through the Rural Housing Insurance Fund Program account, the Rural Housing Assistance Grants account and the rural utilities programs in the Rural Community Advancement Program account;

(4) the City of Coachella, California, eligible for loans and grants funded through the rural utilities programs and rural business and cooperative development programs in the Rural Community Advancement Program account and the Rural Housing Insurance Fund Program account;

(5) the City of Springfield, Ohio; the City of Lexington, Virginia; the City of Clarksdale, Mississippi; the City of Vicksburg, Mississippi; the City of Cache, Oklahoma; and the City of Elgin, Oklahoma, eligible for loans and grants funded through the rural community programs in the Rural Community Advancement Program account;

(6) the City of Carbondale, Illinois, a rural area for purposes of eligibility for loans and grants funded through the Rural Housing Insurance Fund Program account and the Rural Housing Assistance Grants account;

(7) the City of St. Joseph, Missouri, eligible for loans and grants funded through the rural business and cooperative development programs in the Rural Community Advancement Program account relating to an application submitted to the Department by a farmer-owned cooperative, a majority of whose members reside in a rural area, as determined by the Secretary, and for the purchase and operation of a facility beneficial to the purpose of the cooperative; and

(8) the fiber-to-premises broadband facilities in St. Lucie County, Florida, and the City of Port St. Lucie, Florida, collectively, to meet the eligibility requirements for loans and loan guarantees under section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb).]

【SEC. 728. Of any shipments of commodities made pursuant to section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)), the Secretary of Agriculture shall, to the extent practicable, direct that tonnage equal in value to not more than \$25,000,000 shall be made available to foreign countries to assist in mitigating the effects of the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome on communities, including the provision of—

(1) agricultural commodities to—

(A) individuals with Human Immunodeficiency Virus or Acquired Immune Deficiency Syndrome in the communities; and
(B) households in the communities, particularly individuals caring for orphaned children; and

(2) agricultural commodities monetized to provide other assistance (including assistance under microcredit and microenterprise programs) to create or restore sustainable livelihoods among individuals in the communities, particularly individuals caring for orphaned children.]

【SEC. 729. Notwithstanding any other provision of law, the Natural Resources Conservation Service shall provide financial and technical assistance to the DuPage County, Illinois, Kress Creek Water Quality Enhancement Project, from funds available for the Watershed and Flood Prevention Operations program, not to exceed \$1,000,000 and Rockhouse Creek Watershed, Leslie County, Kentucky, not to exceed \$1,000,000.]

【SEC. 730. Notwithstanding any other provision of law, the Natural Resources Conservation Service may provide financial and technical assistance through the Watershed and Flood Prevention Operations program for the Kuhn Bayou project in Arkansas, the Matanuska River erosion control project in Alaska, the DuPage County watershed project in Illinois, and the Coal Creek project in Utah.]

【SEC. 731. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this or any other appropriation Act.]

SEC. 732. 715. Notwithstanding any other provision of law, of the funds made available in this Act for competitive research grants (7 U.S.C. 450i(b)), the Secretary may use up to [20] 30 percent of the amount provided to carry out a competitive grants program under the same terms and conditions as those provided in section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621).

【SEC. 733. None of the funds appropriated or made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out section 14(h)(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(1)).】

【SEC. 734. None of the funds made available to the Food and Drug Administration by this Act shall be used to close or relocate, or to plan to close or relocate, the Food and Drug Administration

Division of Pharmaceutical Analysis in St. Louis, Missouri, outside the city or county limits of St. Louis, Missouri.]

【SEC. 735. None of the funds appropriated or made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out subtitle I of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009dd through dd-7).】

SEC. 736. 716. Agencies and offices of the Department of Agriculture may utilize any unobligated salaries and expenses funds to reimburse the Office of the General Counsel for salaries and expenses of personnel, and for other related expenses, incurred in representing such agencies and offices in the resolution of complaints by employees or applicants for employment, and in cases and other matters pending before the Equal Employment Opportunity Commission, the Federal Labor Relations Authority, or the Merit Systems Protection Board with the prior approval of the Committees on Appropriations of both Houses of Congress.

【SEC. 737. None of the funds appropriated or made available by this or any other Act may be used to pay the salaries and expenses of personnel to carry out section 6405 of Public Law 107-171 (7 U.S.C. 2655).】

【SEC. 738. The Agricultural Marketing Service and the Grain Inspection, Packers and Stockyards Administration, that have statutory authority to purchase interest bearing investments outside of the Treasury, are not required to establish obligations and outlays for those investments, provided those investments are insured by the Federal Deposit Insurance Corporation or are collateralized at the Federal Reserve with securities approved by the Federal Reserve, operating under the guidelines of the United States Department of the Treasury.】

【SEC. 739. Of the funds made available under section 27(a) of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the Secretary may use up to \$10,000,000 for costs associated with the distribution of commodities.】

【SEC. 740. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to enroll in excess of 154,500 acres in the calendar year 2005 wetlands reserve program as authorized by 16 U.S.C. 3837.】

【SEC. 741. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel who carry out an environmental quality incentives program authorized by chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) in excess of \$1,017,000,000.】

【SEC. 742. Hereafter, the Secretary of Agriculture is authorized to permit employees of the United States Department of Agriculture to carry and use firearms for personal protection while conducting field work in remote locations in the performance of their official duties.】

【SEC. 743. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to expend the \$23,000,000 made available by section 9006(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106(f)).】

【SEC. 744. With the exception of funds provided in fiscal year 2003, none of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to expend the \$40,000,000 made available by section 601(j)(1)(A) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(j)(1)(A)).】

【SEC. 745. None of the funds made available in fiscal year 2005 or preceding fiscal years for programs authorized under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) in excess of \$20,000,000 shall be used to reimburse the Commodity Credit Corporation for the release of eligible commodities under section 302(f)(2)(A) of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f-1): *Provided*, That any such funds made available to reimburse the Commodity Credit Corporation shall only be used pursuant to section 302(b)(2)(B)(i) of the Bill Emerson Humanitarian Trust Act.】

【SEC. 746. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to expend the \$80,000,000 made available by section 6401(a) of Public Law 107-171.】

【SEC. 747. Notwithstanding subsections (c) and (e)(2) of section 313A of the Rural Electrification Act (7 U.S.C. 940c(c) and (e)(2)) in implementing section 313A of that Act, the Secretary shall, with the consent of the lender, structure the schedule for payment of

the annual fee, not to exceed an average of 30 basis points per year for the term of the loan, to ensure that sufficient funds are available to pay the subsidy costs for note guarantees under that section.]

[SEC. 748. Notwithstanding any other provision of law, the Natural Resources Conservation Service may provide from appropriated funds financial and technical assistance to the Dry Creek project, Utah.]

[SEC. 749. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out a Conservation Security Program authorized by 16 U.S.C. 3838 et seq., in excess of \$202,411,000.]

[SEC. 750. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out section 2502 of Public Law 107–171 in excess of \$47,000,000.]

[SEC. 751. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out section 2503 of Public Law 107–171 in excess of \$112,000,000.]

[SEC. 752. The Secretary of Agriculture shall use \$30,000,000 of the funds of the Commodity Credit Corporation, to remain available until expended, to compensate commercial citrus and lime growers in the State of Florida for tree replacement and for lost production with respect to trees removed to control citrus canker, and with respect to certified citrus nursery stocks within the citrus canker quarantine areas, as determined by the Secretary. For a grower to receive assistance for a tree under this section, the tree must have been removed after September 30, 2001.]

[SEC. 753. Not more than \$10,000,000 for fiscal year 2005 of the funds appropriated or otherwise made available by this or any other Act shall be used to carry out section 6029 of Public Law 107–171.]

[SEC. 754. None of the funds appropriated or otherwise made available in this Act shall be expended to violate Public Law 105–264.]

[SEC. 755. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out a ground and surface water conservation program authorized by section 2301 of Public Law 107–171 in excess of \$51,000,000.]

[SEC. 756. None of the funds made available by this Act may be used to issue a final rule in furtherance of, or otherwise implement, the proposed rule on cost-sharing for animal and plant health emergency programs of the Animal and Plant Health Inspection Service published on July 8, 2003 (Docket No. 02–062–1; 68 Fed. Reg. 40541).]

[SEC. 757. None of the funds made available in this Act may be used to study, complete a study of, or enter into a contract with a private party to carry out, without specific authorization in a subsequent Act of Congress, a competitive sourcing activity of the Secretary of Agriculture, including support personnel of the Department of Agriculture, relating to rural development or farm loan programs.]

SEC. [758] 717. Notwithstanding any other provision of law, the Secretary of Agriculture may use appropriations available to the Secretary for activities authorized under sections 426–426c of title 7, United States Code, under this or any other Act, to enter into cooperative agreements, with a State, political subdivision, or agency thereof, a public or private agency, organization, or any other person, to lease aircraft if the Secretary determines that the objectives of the agreement will: (1) serve a mutual interest of the parties to the agreement in carrying out the programs administered by the Animal and Plant Health Inspection Service, Wildlife Services; and (2) all parties will contribute resources to the accomplishment of these objectives; award of a cooperative agreement authorized by the Secretary may be made for an initial term not to exceed 5 years.

[SEC. 759. There is hereby appropriated \$1,491,000, to remain available until September 30, 2006, to carry out section 6028 of Public Law 107–171: *Provided*, That notwithstanding section 383B(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb–1(g)(1)), the Federal share of the administrative expenses of the Northern Great Plains Regional Authority for fiscal year 2005 shall be 100 percent.]

[SEC. 760. None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out section 9010 of Public Law 107–171 in excess of \$100,000,000.]

[SEC. 761. (a) The matter under the heading “Rural Community Advancement Program” in division A—Agriculture, Rural Develop-

ment, Food and Drug Administration, and Related Agencies Programs Appropriations, 2004, title III—Rural Development Programs, in Public Law 108–199 is amended by striking “\$1,750,000 shall be for grants to the Delta Regional Authority (7 U.S.C. 1921 et seq.); and not less than \$2,000,000 shall be available for grants in accordance with section 310B(f) of the Consolidated Farm and Rural Development Act” and inserting “and not less than \$2,000,000 shall be available for grants in accordance with section 310B(f) of the Consolidated Farm and Rural Development Act: *Provided further*, That of the total amount appropriated in this account, \$1,750,000 shall be for grants to the Delta Regional Authority (7 U.S.C. 1921 et seq.) for any Rural Community Advancement Program purpose”.

(b) Consistent with any legal commitments made by the Delta Regional Authority, at the request of the Authority and if the Secretary of Agriculture agrees, the Secretary may deobligate any unexpended Rural Community Advancement Program grant funds made to the Authority pursuant to division A of Public Law 108–7: *Provided*, That such reobligated funds are used by the Authority for projects that are consistent with the purposes of the Rural Housing Service Community Facilities Program.]

[SEC. 762. Of the unobligated balances available in the Rural Housing Assistance Grant Program account, \$1,000,000 is hereby rescinded.]

SEC. [763] 718. Agencies and offices of the Department of Agriculture may utilize any available discretionary funds to cover the costs of preparing, or contracting for the preparation of, final agency decisions regarding complaints of discrimination in employment or program activities arising within such agencies and offices.

[SEC. 764. Of the unobligated balances available in the Rural Housing Insurance Fund Program account, \$3,000,000 is hereby rescinded.]

[SEC. 765. Notwithstanding any other provision of law, for any fiscal year and hereafter, in the case of a high cost isolated rural area in Alaska that is not connected to a road system, the maximum level for the single family housing assistance shall be 150 percent of the average income level in the metropolitan areas of the State and 115 percent of all other eligible areas of the State.]

SEC. [766] 719. Funds made available under section 1240I and section 1241(a) of the Food Security Act of 1985 in [fiscal years 2002, 2003, 2004, and 2005] the current fiscal year shall remain available until expended to cover obligations made in [fiscal years 2002, 2003, 2004, and 2005, respectively] the current fiscal year, and are not available for new obligations.

[SEC. 767. There is hereby appropriated \$1,500,000, to remain available until expended, for the Denali Commission to address deficiencies in solid waste disposal sites which threaten to contaminate rural drinking water supplies.]

[SEC. 768. Notwithstanding any other provision of law—

(1)(A) the Alaska Department of Community and Economic Development shall be eligible to receive a water and waste disposal grant under section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) in an amount that is equal to not more than 75 percent of the total cost of providing water and sewer service to the proposed hospital in the Matanuska-Susitna Borough, Alaska; and

(B) the Alaska Department of Community and Economic Development shall be allowed to pass the grant funds through to the local government entity that will provide water and sewer service to the hospital;

(2) or any percentage of cost limitation in current law or regulations, the construction projects known as the Tri-Valley Community Center addition in Healy, Alaska; the Cold Climate Housing Research Center in Fairbanks, Alaska; and the University of Alaska-Fairbanks Allied Health Learning Center skill labs/classrooms shall be eligible to receive Community Facilities grants in amounts that are equal to not more than 75 percent of the total facility costs: *Provided*, That for the purposes of this paragraph, the Cold Climate Housing Research Center is designated an “essential community facility” for rural Alaska;

(3) the Secretary shall consider the City of Guymon, Oklahoma; the City of Shawnee, Oklahoma; the Village of New Miami, Ohio; the City of Vicksburg, Mississippi; and the City of Altus, Oklahoma, to be eligible for loans and grants provided through the Rural Housing Insurance Fund until receipt of the decennial Census in the year 2010;

(4) grants made under section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) using funds made available under this Act for the cities of Ellisville

and Waynesboro, Mississippi, shall be made without a non-Federal cost share requirement;

(5) the City of Great Falls, Montana, shall be considered a rural area for purposes of eligibility for business and industry guaranteed loans under section 310B(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(1)) until receipt of the decennial Census in the year 2010;

(6) the Secretary may consider the Piedmont Municipal Power Agency of South Carolina eligible to participate in programs administered by the Rural Utilities Service until receipt of the decennial Census in the year 2010; and

(7) until receipt of the decennial Census for the year 2010, for all activities under programs of the Rural Development Mission Area within the County of Honolulu, Hawaii, the Secretary may designate any portion of the county as a rural area or eligible rural community that the Secretary determines is not urban in character: *Provided*, That the Secretary shall not include in any such rural area or eligible rural community any area included in the Honolulu Census Designated Place as determined by the Secretary of Commerce.]

【SEC. 769. Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended—

(1) in subsection (b)(1), by inserting “and Doug Bereuter” after “John Ogonowski”; and

(2) in the heading, by inserting “and Doug Bereuter” after “John Ogonowski”.】

【SEC. 770. Notwithstanding the provisions of the Consolidated Farm and Rural Development Act (including the associated regulations) governing the Community Facilities Program, the Secretary may allow all Community Facility Program facility borrowers and grantees to enter into contracts with not-for-profit third parties for services consistent with the requirements of the Program, grant, and/or loan: *Provided*, That the contracts protect the interests of the Government regarding cost, liability, maintenance, and administrative fees.]

【SEC. 771. Notwithstanding any other provision of law, the Secretary of Agriculture is authorized to make funding and other assistance available through the emergency watershed protection program under section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203) to repair and prevent damage to non-Federal land in watersheds that have been impaired by fires initiated by the Federal Government and shall waive cost sharing requirements for the funding and assistance.]

【SEC. 772. None of the funds made available in this Act may be used to provide credits or credit guarantees for agricultural commodities provided for use in Iraq in violation of subsection (e) or (f) of section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622).】

【SEC. 773. None of the funds provided in this Act may be used for salaries and expenses to carry out any regulation or rule insofar as it would make ineligible for enrollment in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) land that is planted to hardwood trees as of the date of enactment of this Act and was enrolled in the conservation reserve program under a contract that expired prior to calendar year 2002.】

【SEC. 774. None of the funds made available in this Act may be used to restrict to prescription use a contraceptive that is determined to be safe and effective for use without the supervision of a practitioner licensed by law to administer prescription drugs under section 503(b) of the Federal Food, Drug, and Cosmetic Act.】

【SEC. 775. Of the unobligated balances in the Local Television Loan Guarantee Program account, \$88,000,000 are hereby rescinded.】

【SEC. 776. PRIVACY PROTECTION OF CERTAIN SELLERS OF FARM PRODUCTS. Section 1324(c) of the Food Security Act of 1985 (7 U.S.C. 1631(c)) is amended—

(1) in subsection (c)—

(A) in paragraph (2)(C)(ii)(II), by inserting “, or other approved unique identifier,” after both “social security number” and “identification number”;

(B) in paragraph (4)(C)(iii), by inserting “, or other approved unique identifier,” after both “social security number” and “identification number”; and

(C) by adding the following at the end:

“(5) The term ‘approved unique identifier’ means a number, combination of numbers and letters, or other identifier selected by the Secretary of State using a selection system or method approved by the Secretary of Agriculture.”;

(2) in subsection (e)(1)(A)(ii)(III), by inserting “, or other approved unique identifier,” after both “social security number” and “identification number”; and

(3) in subsection (g)(2)(A)(ii)(III), by inserting “, or other approved unique identifier,” after both “social security number” and “identification number”.】

【SEC. 777. Section 532 of the Equity in Educational Land Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 193–382) is amended—

(1) by redesignating paragraphs (23) through (32) as paragraphs (24) through (33), respectively; and

(2) by inserting after paragraph (22) the following: “(23) Tohono O’odham Community College.”】

【SEC. 778. Of the unobligated balances of funds in the Agricultural Conservation Program account, \$3,500,000 are hereby rescinded.】

【SEC. 779. Notwithstanding any other provision of law, the amounts made available to the Dakota Value Capture Cooperative under section 747 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002 (Public Law 107–76; 115 Stat. 738) shall remain available until expended for a project conducted by the Dakota Value Capture Cooperative at South Dakota State University.】

SEC. 780. None of the funds made available under this Act shall be available to pay the administrative expenses of a State agency that, after the date of enactment of this Act, authorizes any new for-profit vendor(s) to transact food instruments under the Special Supplemental Nutrition Program for Women, Infants, and Children if it is expected that more than 50 percent of the annual revenue of the vendor from the sale of food items will be derived from the sale of supplemental foods that are obtained with WIC food instruments, except that the Secretary may approve the authorization of such a vendor if the approval is necessary to assure participant access to program benefits.

【SEC. 781. Of the unobligated balances under section 32 of the Act of August 24, 1935, \$163,000,000 are hereby rescinded.】

【SEC. 782. Of the unobligated balances available to the Foreign Agricultural Service for the Public Law 480 Title I Program at the beginning of fiscal year 2005, \$191,108,000 are hereby rescinded: *Provided*, That for purposes of determining the amount of funds available for transfer under section 412(b) of Public Law 83–480, as amended, the maximum amount of funds available for transfer shall be calculated based upon the total funds available prior to this rescission.】

【SEC. 783. The Secretary of Agriculture may use any unobligated carryover funds made available for any program administered by the Rural Utilities Service (not including funds made available under the heading “Rural Community Advancement Program” in any Act of appropriation) to carry out section 315 of the Rural Electrification Act of 1936 (7 U.S.C. 940e).】

【SEC. 784. None of the funds made available by this or any other Act may be used to reduce the mission, resources, staffing, facilities, or capabilities of the Wildlife Habitat Management Institute in Mississippi as in existence on December 17, 2003.】

【SEC. 785. LIVESTOCK ASSISTANCE. (a) IN GENERAL.—In carrying out a livestock assistance, compensation, or feed program, the Secretary of Agriculture shall include elk, reindeer, and bison within the definition of “livestock” covered by the program.

(b) CONFORMING AMENDMENTS.—

(1) Section 602(2) of the Agricultural Act of 1949 (7 U.S.C. 1471(2)) is amended by inserting “elk, reindeer, bison,” after “cattle.”

(2) Section 10104 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1472) is amended—

(A) by redesignating subsections (a) through (d) as subsections (b) through (e), respectively; and

(B) by inserting before subsection (b) (as so redesignated) the following:

“(a) DEFINITION OF LIVESTOCK.—In this section, the term ‘livestock’ includes elk, reindeer, and bison.”

(3) Section 203(d) of the Agricultural Assistance Act of 2003 (Public Law 108–7; 117 Stat. 541) is amended—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by inserting after paragraph (1) the following:

“(2) LIVESTOCK.—The term ‘livestock’ includes elk, reindeer, and bison.”】

【SEC. 786. There is hereby appropriated \$1,000,000, to remain available until expended, to carry out provisions of section 751 of division A of Public Law 108–7.】

【SEC. 787. There is hereby appropriated \$500,000 for a grant to Alaska Village Initiatives for the purpose of administering a private lands wildlife management program in Alaska.】

【SEC. 788. TECHNICAL CORRECTIONS. (a) Section 104(b)(1) of the Child Nutrition and WIC Reauthorization Act of 2004 (Public Law 108–265) is amended by striking the closing quotation marks and the following period at the end of section 9(b)(5)(A)(iv) of the Richard B. Russell National School Lunch Act (as added by that section 104(b)(1) of Public Law 108–265).

(b) Section 13(a)(10) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(a)(10)) (as added by section 116(d) of Public Law 108–265) is amended—

(1) in subparagraph (C), by striking “2005” and inserting “2006”; and

(2) in subparagraph (D)—

(A) in clause (i), by striking “2007” and inserting “2008”; and

(B) in clause (ii), by striking “2008” and inserting “2009”.

(c) Section 21(e)(2)(A) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b–1(e)(2)(A)) (as amended by section 125(c)(2)(B) of Public Law 108–265) is amended by inserting “and” after “2005”.

(d) Section 17(f)(1)(C)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(1)(C)(i) (as amended by section 203(e)(10)(B) of Public Law 108–265) is amended by striking the period after “subsection (h)(11)”.

(e) Section 17(h)(8)(A)(vi) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)(A)(vi) (as added by section 203(e)(5) of Public Law 108–265) is amended by striking “Each State” and inserting “Effective beginning October 1, 2004, each State”.

(f) Section 502(b) of the Child Nutrition and WIC Reauthorization Act of 2004 (Public Law 108–265) is amended—

(1) in paragraph (2), by striking “203(e)(5)”; and

(2) in paragraph (4), by striking “104” and inserting “104 (other than section 104(a)(1))”.

【SEC. 789. Section 104 of chapter 1 of the Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005, Public Law 108–324, is amended by adding “and tropical storms” after “hurricanes”.]

【SEC. 790. There is hereby appropriated \$1,000,000, to remain available until expended, for a grant to the Ohio Livestock Expo Center in Springfield, Ohio.】

【SEC. 791. There is hereby appropriated \$1,000,000, to remain available until expended, for a grant to the Virginia Horse Center in Lexington, Virginia.】

【SEC. 792. Notwithstanding any other provision of law, unobligated funding balances in the Great Plains Conservation Program authorized under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)); the Forestry Incentives Program authorized by section 4 and section 6 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103); The Water Bank Program authorized by The Water Bank Act of 1970 (Public Law 91–559); and funding for the John’s Creek, TN Watershed and Flood Prevention Operations project are hereby rescinded.】

【SEC. 793. There is hereby appropriated \$2,250,000, to remain available until expended, for a grant to the Wisconsin Federation of Cooperatives for pilot Wisconsin-Minnesota health care cooperative purchasing alliances.】

【SEC. 794. (a) Section 1240B of the Food Security Act of 1985, 16 U.S.C. 3839 aa–2, is amended at the end by adding the following:

“(h) FUNDING FOR FEDERALLY RECOGNIZED NATIVE AMERICAN INDIAN TRIBES AND ALASKA NATIVE CORPORATIONS.—The Secretary may enter into alternative funding arrangements with federally recognized Native American Indian Tribes and Alaska Native Corporations (including their affiliated membership organizations) if the Secretary determines that the goals and objectives of the program will be met by such arrangements, and that statutory limitations regarding contracts with individual producers as defined under this Subtitle will not be exceeded by any Tribal or Native Corporation member.”

(b) Section 1240G of the Food Security Act of 1985, 16 U.S.C. 3839aa–7, is amended by inserting after “2007,” the following: “(excluding funding arrangements with federally recognized Native American Indian Tribes or Alaska Native Corporations under section 1240B(h)).”】

【SEC. 795. There is hereby appropriated \$6,000,000, to remain available until expended, for a grant to the Florida Department of Citrus.】

【SEC. 796 Notwithstanding any other provision of law, effective with funds made available in fiscal year 2004 to States administering the Child and Adult Care Food Program, for the purpose of conducting audits of participating institutions, funds identified by the Secretary as having been unused during the initial fiscal year of availability may be recovered and reallocated by the Secretary: *Provided*, That States may use the reallocated funds until expended for the purpose of conducting audits of participating institutions.】

【SEC. 797. Section 1238Q of the Food Security Act of 1985 is amended—

(1) in subsection (a), by striking “permit” and inserting “transfer title of ownership to an easement under this subchapter to”; and

(2) by striking subsection (d) and inserting the following new subsection:

“(d) TRANSFER OF TITLE OF OWNERSHIP OF EASEMENT.—Reversion—If a private organization or State agency holding an easement on land under this subchapter dissolves or fails to enforce the terms of the easement, the easement shall revert to the Secretary.”】

SEC. 721. *None of the funds appropriated or otherwise made available by this or any other Act shall be used to pay the salaries and expenses of personnel to carry out the following:*

(a) *an Environmental Quality Incentives Program authorized by 16 U.S.C. 3839aa, et seq., in excess of \$1,000,000,000. Funds exceeding this amount for fiscal year 2006 are hereby permanently cancelled;*

(b) *a Wildlife Habitat Incentives Program authorized by 16 U.S.C. 3839bb, et seq., in excess of \$60,000,000. Funds exceeding this amount for fiscal year 2006 are hereby permanently cancelled;*

(c) *a Conservation Security Program authorized by 16 U.S.C. 3838, et seq., in excess of \$273,900,000. Funds exceeding this amount for fiscal year 2006 are hereby permanently cancelled;*

(d) *a Rural Strategic Investment Program authorized by section 6030 of Public Law 107–171. \$100,000,000 of the funds available under such section are hereby permanently cancelled;*

(e) *a Rural Business Investment Program authorized by section 6029 of Public Law 107–171. \$89,000,000 of the funds available under such section are hereby permanently cancelled;*

(f) *a small Watershed Rehabilitation Program authorized by 16 U.S.C. 1012(h)(1). \$210,000,000 of the funds available under such section for fiscal year 2006 are hereby permanently cancelled;*

(g) *a Rural Firefighter Grant Program authorized by section 6405 of Public Law 107–171. Funds available under such section for fiscal year 2006 are hereby permanently cancelled;*

(h) *a Broadband program authorized by 7 U.S.C. 950bb. Under this section, of the funds available under subsection j(1)(A) and funds for fiscal year 2006 under subsection j(1)(B), \$50,000,000 are hereby permanently cancelled;*

(i) *a Value-added Grant Program authorized by 7 U.S.C. 1621 note. \$120,000,000 of the funds available under such section for fiscal year 2006 are hereby permanently cancelled;*

(j) *a Bioenergy Program authorized by section 9010 of Public Law 107–171, in excess of \$60,000,000. Funds exceeding this amount for fiscal year 2006 are hereby permanently cancelled;*

(k) *a Market-access Program authorized by 7 U.S.C. 5641(c), in excess of \$125,000,000. Funds exceeding this amount for fiscal year 2006 are hereby permanently cancelled;*

(l) *a Farmland Protection Program authorized by 16 U.S.C. 3838h, in excess of \$83,500,000. Funds exceeding this amount for fiscal year 2006 are hereby permanently cancelled;*

(m) *the Initiative for Future Agriculture and Food Systems authorized by 7 U.S.C. 7621, except for funds needed to administer and conduct oversight of grants awarded and obligations incurred in prior fiscal years. \$299,925,000 of the funds available under such section for fiscal year 2006 are hereby permanently cancelled;*

(n) *an Agricultural Management Assistance Program for the Natural Resources Conservation Service as authorized by section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524). \$14,000,000 of the funds available for fiscal year 2006 are hereby permanently cancelled;*

(o) *a Biomass Research and Development Program authorized by Public Law 106–224 (7 U.S.C. 7624 note) in excess of \$12,000,000. Funds exceeding this amount for fiscal year 2006 are hereby permanently cancelled; and*

(p) *a Renewable Energy Systems and Energy Efficiency Improvements Program authorized by section 9006 of Public Law 107–171. \$23,000,000 of the funds available under such section for fiscal year 2006 are hereby permanently cancelled.*

SEC. 722. *There is hereby appropriated \$3,600,000 to carry out section 515(j)(2) of the Federal Crop Insurance Act (7 U.S.C. 1515(j)(2)).*

SEC. 723. Section 442 of Public Law 106–224 is amended by adding the following new subsections at the end:

“(c) PRECONDITIONS FOR A TRANSFER AVAILABILITY.—Funds may be transferred to combat emergencies.”

“(d) DEFINITIONS.—For purposes of this section, as an “emergency” is an unanticipated event that requires a necessary expenditure that is sudden, urgent, and unforeseen.”

SEC. 724. Section 10417 of Public Law is amended by adding the following subsections at the end:

“(d) PRECONDITIONS FOR A TRANSFER AVAILABILITY.—Funds may be transferred to combat emergencies.”

“(e) DEFINITIONS.—For purposes of this section, an “emergency” is an unanticipated event that requires a necessary expenditure that is sudden, urgent, and unforeseen.”

SEC. 725. Notwithstanding 40 U.S.C. 524, 571, and 572, the Secretary of Agriculture may sell the US Water Conservation Laboratory, Phoenix, Arizona, and the Western Cotton Research Center, Phoenix, Arizona, and credit the net proceeds such sales as offsetting collections to its Agriculture Buildings and Facilities account. Such funds shall be available until September 30, 2007 to be used to replace these facilities and to improve other USDA-owned facilities. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005.)

GENERAL PROVISIONS—THIS CHAPTER

[SEC. 101. AGRICULTURAL DISASTER ASSISTANCE.]

(a) CROP DISASTER ASSISTANCE.—

(1) DEFINITIONS.—In this subsection:

(A) ADDITIONAL COVERAGE.—The term “additional coverage” has the meaning given the term in section 502(b)(1) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)(1)).

(B) INSURABLE COMMODITY.—The term “insurable commodity” means an agricultural commodity (excluding livestock) for which the producers on a farm are eligible to obtain a policy or plan of insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(C) NONINSURABLE COMMODITY.—The term “noninsurable commodity” means an eligible crop for which the producers on a farm are eligible to obtain assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

(2) EMERGENCY FINANCIAL ASSISTANCE.—Notwithstanding section 508(b)(7) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(7)), the Secretary of Agriculture shall use such sums as are necessary of funds of the Commodity Credit Corporation to make emergency financial assistance authorized under this subsection available to producers on a farm (other than producers of cottonseed or sugar cane) that have incurred qualifying crop or quality losses for the 2003, 2004, or 2005 crop (as elected by a producer), but limited to only one of the crop years listed, due to damaging weather or related condition, as determined by the Secretary: *Provided*, That qualifying crop losses for the 2005 crop are limited to only those losses caused by a hurricane or tropical storm of the 2004 hurricane season in counties declared disaster areas by the President of the United States: *Provided further*, That notwithstanding the crop year election limitation in this paragraph, \$53,000,000 shall be provided to the Secretary of Agriculture, of which \$50,000,000 shall be for crop losses in the Commonwealth of Virginia, and of which \$3,000,000 shall be for fruit and vegetable losses in the State of North Carolina: *Provided further*, That these losses resulted from hurricanes, tropical storms, and other weather related disasters that occurred during calendar year 2003, to remain available until expended.

(3) ADMINISTRATION.—The Secretary shall make assistance available under this subsection in the same manner as provided under section 815 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–55), including using the same loss thresholds for the quantity and quality losses as were used in administering that section.

(4) INELIGIBILITY FOR ASSISTANCE.—Except as provided in paragraph (5), the producers on a farm shall not be eligible for assistance under this subsection with respect to losses to an insurable commodity or noninsurable commodity if the producers on the farm—

(A) in the case of an insurable commodity, did not obtain a policy or plan of insurance for the insurable commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for the crop incurring the losses;

(B) in the case of a noninsurable commodity, did not file the required paperwork, and pay the administrative fee by the applicable State filing deadline, for the noninsurable commodity under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333) for the crop incurring the losses;

(C) had adjusted gross incomes, as defined by section 1001D of the Food Security Act of 1985, of greater than \$2,500,000 in 2003; or

(D) were not in compliance with highly erodible land conservation and wetland conservation provisions.

(5) CONTRACT WAIVER.—The Secretary may waive paragraph (4) with respect to the producers on a farm if the producers enter into a contract with the Secretary under which the producers agree—

(A) in the case of an insurable commodity, to obtain a policy or plan of insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) providing additional coverage for the insurable commodity for each of the next 2 crops; and

(B) in the case of a noninsurable commodity, to file the required paperwork and pay the administrative fee by the applicable State filing deadline, for the noninsurable commodity for each of the next 2 crops under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

(6) EFFECT OF VIOLATION.—In the event of the violation of a contract under paragraph (5) by a producer, the producer shall reimburse the Secretary for the full amount of the assistance provided to the producer under this subsection.

(7) PAYMENT LIMITATIONS.—

(A) LIMIT ON AMOUNT OF ASSISTANCE.—Assistance provided under this subsection to a producer for losses to a crop, together with the amounts specified in subparagraph (B) applicable to the same crop, may not exceed 95 percent of what the value of the crop would have been in the absence of the losses, as estimated by the Secretary.

(B) OTHER PAYMENTS.—In applying the limitation in subparagraph (A), the Secretary shall include the following:

(i) Any crop insurance payment made under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or payment under section 196 of the Federal Agricultural Improvement and Reform Act of 1996 (7 U.S.C. 7333) that the producer receives for losses to the same crop.

(ii) The value of the crop that was not lost (if any), as estimated by the Secretary.

(C) EFFECT OF FLORIDA DISASTER PROGRAMS.—Persons that received payments from section 32 of the Act of August 24, 1935 with respect to 2004 hurricane crop losses are not eligible for payments under this subsection.

(b) LIVESTOCK ASSISTANCE PROGRAM.—

(1) EMERGENCY FINANCIAL ASSISTANCE.—The Secretary of Agriculture shall use such sums as are necessary of funds of the Commodity Credit Corporation to make and administer payments for livestock losses to producers for 2003 or 2004 losses (as elected by a producer), but not both, in a county that has received an emergency designation by the President or the Secretary after January 1, 2003, of which an amount determined by the Secretary shall be made available for the American Indian livestock program under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–51).

(2) ADMINISTRATION.—The Secretary shall make assistance available under this subsection in the same manner as provided under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–51).

(3) MITIGATION.—In determining the eligibility for or amount of payments for which a producer is eligible under the livestock assistance program, the Secretary shall not penalize a producer that takes actions (recognizing disaster conditions) that reduce the average number of livestock the producer owned for grazing during the production year for which assistance is being provided.

(c) TREE ASSISTANCE PROGRAM.—

(1) EMERGENCY ASSISTANCE.—The Secretary of Agriculture shall use such sums as are necessary of the funds of the Commodity

Credit Corporation to provide assistance under the tree assistance program established under sections 10201 through 10204 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8201 et seq.) to producers who suffered tree losses during the period beginning on December 1, 2003, and ending on December 31, 2004.

(2) ADDITIONAL ASSISTANCE.—In addition to providing assistance to eligible orchardists under the tree assistance program, the Secretary shall use an additional \$15,000,000 of the funds of the Commodity Credit Corporation to provide reimbursement under sections 10203 and 10204 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8203, 8204) to eligible forest land owners who produce periodic crops of timber from trees for commercial purposes and who have suffered tree losses during the period specified in paragraph (1).

(3) EFFECT OF FLORIDA DISASTER PROGRAMS.—Persons that received payments from section 32 of the Act of August 24, 1935 with respect to 2004 hurricane crop losses are not eligible for payments under this section.

(d) EMERGENCY CONSERVATION PROGRAM.—The Secretary of Agriculture shall use an additional \$50,000,000 of the funds of the Commodity Credit Corporation to provide assistance under the Emergency Conservation Program under title IV of the Agriculture Credit Act of 1978 (16 U.S.C. 2201 et seq.).

(e) OFFSET.—Section 1241(a)(3) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(3)) is amended by inserting before the period at the end the following: “, using not more than \$6,037,000,000 for the period of fiscal years 2005 through 2014”.

(f) That for purposes of the budget scoring guidance in effect for the Congress and the Executive branch respectively, and notwithstanding the Budget Scorekeeping Guidelines set forth in the joint explanatory statement of the committee of conference accompanying Conference Report 105-217, any savings from subsection (e) shall not be scored until fiscal year 2008.

(g) The issuance of regulations shall be made without regard to: (1) the notice and comment provisions of section 553 of title 5, United States Code; (2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and (3) chapter 35 of title 44, United States Code (commonly known as the “Paperwork Reduction Act”): *Provided*, That in carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.]

[SEC. 102. The Secretary of Agriculture shall use \$40,000,000, of which, \$7,200,000 shall be provided to the State of Hawaii for assistance to an agricultural transportation cooperative in Hawaii, the members of which are eligible to participate in the Farm Service Agency administered Commodity Loan Program, and of which \$32,800,000 shall be to make payments to processors in Florida that are eligible to obtain a loan under section 156(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(a)) to compensate first processors and producers for crop and other losses that are related to hurricanes, tropical storms, excessive rains, and floods in Florida during calendar year 2004, to be calculated and paid on the basis of losses on 40 acre harvesting units, in counties declared a disaster by the President of the United States in 2004 due to hurricanes, on the same terms and conditions, to the extent practicable, as the payments made under section 207 of the Agricultural Assistance Act of 2003 (Public Law 108-7).]

[SEC. 103. The Secretary of Agriculture shall use \$10,000,000 to make payments to dairy producers for dairy production losses, and dairy spoilage losses in counties declared a disaster by the President of the United States in 2004 due to hurricanes.]

[SEC. 104. The Secretary of Agriculture shall use \$10,000,000 to provide assistance to producers and first handlers of the 2004 crop

of cottonseed located in counties declared a disaster by the President of the United States in 2004 due to hurricanes.]

[SEC. 105. (a) The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out section 101, 102, 103, 104, 108, 109, 110, and 111 of this chapter, to remain available until expended.

(b) The amounts provided under sections 101, 102, 103, 104, 108, 109, 110, and 111 in this chapter are designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.]

[SEC. 106. (a) RURAL COMMUNITY ADVANCEMENT PROGRAM.—The communities in Burlington and Camden Counties in New Jersey, affected by the flood which occurred on July 12, 2004, are deemed to be rural areas during fiscal year 2005 for purposes of subtitle E of the Consolidated Farm and Rural Development Act. Any limitations under subtitle E of the Consolidated Farm and Rural Development Act that are based on the income of families shall not apply during fiscal year 2005 with respect to such communities, or to businesses or families residing in such communities.

(b) RURAL HOUSING INSURANCE FUND AND RURAL HOUSING ASSISTANCE GRANTS.—The communities referred to in subsection (a) are deemed to be rural areas during fiscal year 2005 for purposes of the direct and guaranteed loan programs under title V of the Housing Act of 1949 and the grant programs under sections 504, 509(c), 525, and 533 of such title V. Any limitations under title V of the Housing Act of 1949 that are based on the income of families shall not apply during fiscal year 2005 with respect to such communities or to families residing in such communities.]

[SEC. 107. The Secretary of Agriculture shall provide financial and technical assistance to repair, and if necessary, replace Hope Mills Dam, Cumberland County, North Carolina, in accordance with the dam safety standards of the state of North Carolina: *Provided*, That from within the funds provided in this chapter for the Emergency Watershed Protection program of the Natural Resources Conservation Service \$1,600,000 is provided for this purpose.]

[SEC. 108. The Secretary shall provide \$90,000,000 to the fund established by section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to make payments with respect to 2004 hurricane losses.]

[SEC. 109. The Secretary, acting through the Farm Service Agency, may use not more than \$4,000,000 to cover administrative expenses associated with the implementation of sections 101 and 102 of this chapter.]

[SEC. 110. In addition to amounts provided in this Act for the tree assistance program, \$10,000,000 shall be made available to the Secretary of Agriculture, to remain available until expended, to provide assistance to eligible private forest landowners owning not more than 5,000 acres of forest crop in counties declared Presidential disaster areas as a result of hurricane, tropical storm, or related events for the purposes of debris removal, replanting of timber, and other such purposes.]

[SEC. 111. In addition to amounts provided in this Act for the tree assistance program, \$8,500,000 shall be made available to the Secretary of Agriculture, to remain available until expended, to provide assistance under the tree assistance program established under subtitle C of title X of the Farm Security and Rural Investment Act of 2002 to pecan producers in counties declared a disaster by the President of the United States who suffered tree loss or damage due to damaging weather related to any hurricane or tropical storm of the 2004 hurricane season: *Provided*, That the funds made available under this section shall also be made available to cover costs associated with pruning, rehabilitating, and other appropriate activities as determined by the Secretary.] (*Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.*)