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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 2003

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

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NOTE: Under Committee Rules, Mr. Young, as Chairman of the Full Committee, and Mr. Obey, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

HENRY E. MOORE, MARTIN P. DELGADO, MAUREEN HOLOHAN, and JOANNE L. PERDUE, *Staff Assistants*

PART 2

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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 2003

WEDNESDAY, FEBRUARY 27, 2002.

NATURAL RESOURCES AND ENVIRONMENT

WITNESSES

MARK E. REY, UNDER SECRETARY, NATURAL RESOURCES AND ENVIRONMENT
PEARLIE S. REED, CHIEF, NATURAL RESOURCES CONSERVATION SERVICE
BRENDA THOMAS, ACTING DIRECTOR, BUDGET PLANNING AND ANALYSIS DIVISION, NATURAL RESOURCES CONSERVATION SERVICE
DENNIS KAPLAN, BUDGET OFFICE, DEPARTMENT OF AGRICULTURE

OPENING REMARKS

Mr. BONILLA. The subcommittee will come to order. Good morning to everyone. If some are curious as to the reason for the lights and the extra microphones on the podiums today, it is because later today there is going to be a hearing on Secret Service needs. I would like to think that this hearing would be the center of attention, but that is the reason for the different environment that we are going to be working with this morning.

INTRODUCTION OF WITNESSES

We are pleased to be holding a hearing today for the Natural Resources Conservation Service fiscal year 2003 budget request. Appearing before us today are Mark Rey, the Under Secretary for Natural Resources and Environment; Pearlie Reed, the chief of the NRCS; and Brenda Thomas, the acting budget officer at the NRCS. Also at the witness table is Dennis Kaplan, who is pinch hitting today for Mr. Dewhurst, who I understand is on the dark side, as we sometimes call it appearing over there with the Secretary. We welcome you today.

Mr. Rey, I know this is your first time before this subcommittee. I want to welcome you and I want to congratulate you on your appointment. It has been reported that you stated that you have lowered expectations for this job, so much so that one of your objectives is just to keep the job, unlike your two predecessors who were unable to keep it. You do have a tough job ahead, Mr. Rey. We know that you will be dealing with two agencies under your jurisdiction that have a great impact on public lands, through the forest

service and on private lands through the Natural Resources Conservation Service. I am sure you are very much up to the task.

Mr. Reed, this is not your first time before this subcommittee, so I want to welcome you back. I would just like for you to think about the importance of your agency, and the impact that it has on private lands in this country. I would encourage you to do everything you can do to ensure that your programs are carried out with as little bureaucracy as possible to get the financial resources on the ground where they are sorely needed.

We have your statements before us, and we have reviewed them. We will enter those statements into the record, but before we begin, I would like to recognize my ranking member, Ms. Kaptur, a great partner in this process.

Ms. KAPTUR. Thank you, Mr. Chairman, very much, and we welcome you, Mr. Under Secretary, and, of course, Chief Reed and all of the members of your staffs that you have brought with you today. I just wanted to say I was so pleased to read your background. We share Ohio heritage, particularly northern Ohio heritage. And also the University of Michigan.

So probably I will be interested in asking you during my question period whether you took the same course in woody plants that I did, and having come from the school of natural resources there with all of your experience in the Senate, I mean, my goodness, what an excellent background you have for the position you currently hold, and so we look forward to your testimony.

Mr. BONILLA. Thank you, Ms. Kaptur. We will start by recognizing Mr. Rey, and then if Mr. Reed has an opening statement as well, we will proceed with that. Thank you.

UNDER SECRETARY'S STATEMENT

Mr. REY. Thank you, Mr. Chairman, Ms. Kaptur, Mr. Walsh. I am grateful for the opportunity to appear before you today to present the fiscal year 2003 budget and program proposals for the Natural Resources Conservation Service of the Department of Agriculture. In addition to Mr. Reed and Mr. Kaplan appearing with me today are Brenda Thomas, who is the acting NRCS budget director, and Mack Gray, behind me, who is the deputy under secretary for Natural Resources and Environment. I will summarize and submit my entire statement for the record.

Mr. Chairman, the President often reminds us that every day is Earth Day when you work the land, and from my perspective, it is clear that the men and women of NRCS out in the field are making a tremendous difference to ensure that farmers and ranchers have the resources and expertise they need to care for natural resources and respond to emerging challenges. This happens through conservation operations and specifically through conservation technical assistance.

AMERICAN CUSTOMER SATISFACTION INDEX

Interestingly, NRCS has one of the highest ratings for customer satisfaction among all government and private sector organizations. Last year, NRCS participated in the American Customer Satisfac-

tion Index, which surveyed customers of NRCS' conservation technical assistance program.

The ACSI, the American Customer Satisfaction Index, is administered by the University of Michigan Business School, an institution both Ms. Kaptur and I can attest to the competence of. It is the only uniform cross industry and government measure of customer satisfaction which allows benchmarking between the two sectors. The NRCS results were the highest for any USDA agency participating in the 2001 survey, and are comparable to the results received from private sector companies such as Mercedes-Benz and the Ritz-Carlton Hotel chain. Our customers have come to expect excellent service from the agency, and it will be a challenge to continue to ensure that funding and resource support for our staff are sufficient to help them meet the expectations of farmers and ranchers.

RESOURCE CONSERVATION AND DEVELOPMENT

Let me turn to the Resource Conservation and Development program. Because of the support of this subcommittee, the Secretary was able to announce the selection of 20 new RC&D areas earlier this year, bringing the total number of authorized areas to 368. Through this program, non-Federal Government agencies, including State, local and tribal governments, as well as private and not-for-profit organizations, are playing important roles in conservation policy. The RC&D program has been extremely successful in leveraging and matching resources among these different organizations. We continue to receive excellent applications, deserving of USDA recognition, and we want to enhance and maintain this very popular program.

EMERGENCY WATERSHED PROGRAM

Turning to our water resource-related programs, we know that emergency needs for watersheds resulting from natural disasters averaged 110 million dollars per year over the last several years. However, in the past, rather than planning for this need, we have historically relied upon emergency supplemental appropriations to respond to stricken communities often months after the disaster. The administration's fiscal year 2003 budget proposes $111 million for the Emergency Watershed Program, which will allow us the latitude to better respond to disasters more quickly.

In conclusion, the programs presented to this subcommittee for funding are essential to the policy objectives proposed in our overall agriculture, conservation area framework in three areas: First, support for the cadre of trained and skilled professionals out on the land working with farmers and ranchers every day through Conservation Operations; second, providing that workforce and the workforce of State and local government cooperators with the very best data, technical tools and training through Conservation Operations; and third, continuing to foster collaboration and partnership with other organizations through Conservation Operations.

I thank the subcommittee for the opportunity to appear and would be happy to respond to any questions, including the woody plants curriculum at the University of Michigan School of Natural Resources, which not only Ms. Kaptur and I participated, but in

the sense of the fact that it is a small world, Mr. Reed's predecessor, Paul Johnson, taught that program one semester as well. So it seems that there is a large community of alumni from the woody plants program. Thank you very much.

Mr. BONILLA. Thank you, Mr. Rey.

[The statement of Mr. Rey follows:]

Statement of Mark Rey
Under Secretary, Natural Resources and Environment
United States Department of Agriculture
Before the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
February 27, 2002

Mr. Chairman and Members of the Committee, I am pleased to appear before you today to present the Fiscal Year 2003 budget and program proposals for the Natural Resources Conservation Service (NRCS) of the Department of Agriculture (USDA). I thank Members of the Subcommittee for the opportunity to appear, and I would like to express gratitude to the Chairman and members of this body for the support of additional funding for Fiscal Year 2002. With me this morning are Mr. Pearlie S. Reed, Chief of the NRCS; Ms. Brenda Thomas, who is the Acting NRCS Budget Director, and Mr. Dennis Kaplan from USDA's Budget Office. Also here this morning is Dr. R. Mack Gray, Deputy Under Secretary for Natural Resources and Environment.

Mr. Chairman, the President often reminds us that everyday is Earth Day when you work the land. From my perspective as Under Secretary for Natural Resources and Environment, it is clear that the men and women of NRCS out in the field are making a tremendous difference to ensure that farmers and ranchers have the resources and expertise they need to care for natural resources and respond to emerging challenges.

In September, the Secretary released *Food and Agriculture Policy: Taking Stock for the New Century*. Conservation clearly has a central place in that document, and the Administration's agriculture policy as a whole. Our conservation policy for agriculture is founded upon the following seven principles:

- Sustain past environmental gains
- Accommodate new and emerging environmental concerns
- Design and adopt a portfolio approach to conservation policies
- Reaffirm market-oriented policies
- Ensure compatibility of conservation and trade policies
- Coordinate conservation and farm policies
- Recognize the importance of collaboration

Mr. Chairman, what we have put forward is a look at total agriculture policy, and how it interrelates with real issues on farms and ranches across the country and throughout the nation's food delivery system. And I would submit that our success in these areas really depends upon what happens in this Subcommittee, because everything we do relates back to Conservation Operations -- the fundamental investment in conservation assistance to farmers and ranchers.

Conservation Operations Program

The success of USDA's entire conservation effort depends upon the availability of practical scientific and technological information that is used by field employees who carry out a host of federal state and local programs. NRCS develops and transfers applied technologies through the Field Office Technical Guide (FOTG), including technical manuals, handbooks, and technical references. Collectively, NRCS provides science-based solutions for the work carried out on the nation's farms and ranches.

We know that farmers and ranchers are receiving exemplary service from NRCS field staff. In fact, NRCS has one of the highest ratings for customer satisfaction among all government and private-sector organizations. Last year, NRCS participated in the American Customer Satisfaction Index (ACSI), which surveyed customers of NRCS conservation technical assistance. The ACSI is administered by the University of Michigan Business School. It is the only uniform, cross-industry/government measure of customer satisfaction, which allows benchmarking between the two sectors. The NRCS results were the highest for any USDA agency participating in the 2001 survey, and has been described as comparable to private sector companies such as Mercedes-Benz and Ritz-Carlton.

We are proud of the outstanding service that we are providing customers. Our customers have come to expect excellent service from the agency, and it will be a future challenge to continue to ensure that funding and resource support for our staff are sufficient to help

them meet the expectations of farmers and ranchers. Conservation Operations means the continued availability of nationwide cooperative soil survey information, climate and precipitation data and forecasting, and the National Resources Inventory (NRI). These technical tools ensure that we first have accurate baseline information regarding the natural resources, and also trends and changes over time. Our work in this area is tantamount to our success in multi-agency efforts, including our work with the Environmental Protection Agency on clean water issues relating to non-point source pollution livestock waste. Our resource information and science – based technology are absolutely essential to sound decision-making. Also, NRCS offers farmers and ranchers the voluntary assistance they need to meet emerging challenges. Overall, the Conservation Operations program is the keystone to meeting locally-led conservation policy objectives, by providing sound scientific data and common sense solutions for farmers and ranchers.

Resource Conservation and Development

Mr. Chairman, because of the support of this Subcommittee, the Secretary was able to announce the selection of 20 new RC&D areas earlier this year, bringing the total number of authorized areas to 368. On a national scale, non-federal government agencies, including State, local, and Tribal governments, as well as private and not-for profit organizations are playing important roles in conservation policy. The RC&D program has been extremely successful in leveraging and matching resources between these organizations. These organizations come together at the local level to identify

community needs and collaborate on a voluntary basis. The RC&D program is a model for the kind of collaboration and partnership effort that our Food and Agriculture policy document describes. It provides an excellent return for a limited federal investment and we appreciate the continued support of this Committee.

Watershed and Flood Prevention Operations

The President's budget for FY 2003 proposes to eliminate Watershed Surveys and Planning, Watershed and Flood Prevention Operations, and the Watershed Rehabilitation Program. The budget requests funding for Emergency Watershed Protection (EWP) to provide assistance to local communities when disasters occur.

The NRCS Emergency Watershed Protection (EWP) Program is a recovery program targeted to communities--as opposed to individuals--by relieving imminent hazards to life and property caused by floods, fires, windstorms, droughts and other natural occurrences. NRCS provides technical assistance and pays as much as 75 percent of the cost for emergency repairs, such as removing debris from a stream. We also purchase easements from willing landowners in flood prone areas to prevent future crop losses.

As our Farm Policy document points out, water and agriculture are inextricably linked. From looking at recent fiscal years, we know that emergency needs for watersheds resulting from natural disasters averages about $110 million per year. However, rather than prepare for this need, we have historically relied upon emergency supplemental

appropriations to react to stricken communities, often months after the disaster occurred. Therefore, for 2003, we are requesting $111 million in appropriated EWP funding which would better equip the federal government to respond more quickly to disasters and protect homeland security.

Summary

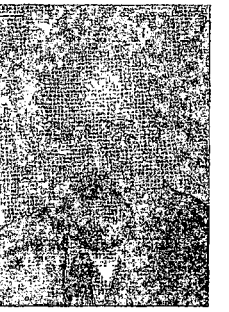
In conclusion, the programs presented to this Subcommittee for funding are absolutely essential to the policy objectives proposed in our overall agriculture conservation policy framework. It really comes down to the following three points:

(1) Support the cadre of trained, and skilled professionals out on the land, working with farmers and ranchers everyday through Conservation Operations.
(2) Provide that workforce and the workforce of State and local government cooperators with the very best data, technical tools, and training through Conservation Operations.
(3) Continue to foster collaboration and partnerships with other organizations through Conservation Operations and RC&D.

I thank the Subcommittee for the opportunity to appear and would be happy to respond to any questions Members might have.

Biographical Sketch

Mark E. Rey
Under Secretary for Natural Resources and Environment



Mark E. Rey was sworn in as the under secretary for natural resources and environment by Agriculture Secretary Ann M. Veneman on October 2, 2001.

In that position, he oversees the U.S. Department of Agriculture's Forest Service and Natural Resources Conservation Service.

Since January 1995, Rey served as a staff member with the U.S. Senate Committee on Energy and Natural Resources. He was the lead staff person for the committee's work on national forest policy and Forest Service administration. He was directly involved in virtually all of the forestry and conservation legislation considered during the past several sessions of Congress, with principal responsibility for a number of public lands bills during this period. In addition, he worked on the Herger/Feinstein Quincy Library Act of 1998 and the Secure Rural Schools and Community Self-Determination Act of 2000. This latter law is considered to have been the most extensive public forestry legislation passed by Congress in 20 years.

From 1992-94 Rey served as vice president, forest resources for the American Forest and Paper Association. He served as executive director for the American Forest Resource Alliance from 1989-92. He served as vice president, public forestry programs for the National Forest Products Association from 1984-89. From 1976-84 he served in several positions for the American Paper Institute/National Forest Products Association, a consortium of national trade associations. From 1974-75 he worked as a staff assistant for the U.S. Department of the Interior's Bureau of Land Management in Billings, Mont., and Washington, D.C.

Rey is a native of Canton, Ohio. He holds a Bachelor of Science degree in wildlife management, a Bachelor of Science degree in forestry, and a Master of Science degree in natural resources policy and administration, all from the University of Michigan in Ann Arbor.

#

October 2001

Mr. BONILLA. Mr. Reed.

CONSERVATION OPERATIONS

Mr. REED. Mr. Chairman, thank you and members of the committee, for the opportunity to appear here before you today. With your permission, I would like to submit my written testimony for the record.

Mr. Chairman, for the past 32 years, each day I come to work, I think about what is important and how the NRCS can get more conservation on the ground. Today, I would like to take advantage of this opportunity briefly to tell you what I believe is the most important investment you can make to private lands conservation. That investment is in our Conservation Operations account. The Conservation Operations account underpins our entire national private lands conservation infrastructure in this country. It leverages more than a billion dollars annually in State and local conservation investments. These investments are primarily with the local soil and water conservation districts. The partnership USDA has with conservation districts is a locally-led, integrated approach for voluntary private lands conservation. Also, that partnership provides safe passage for USDA employees into local communities, on farms and ranches, so they, in concert with land owners, can practice the science and art of putting conservation practices on the ground.

Mr. Chairman, I am pleased to be here today, and again, thank you for this opportunity.

Mr. BONILLA. Thank you, Mr. Reed and Mr. Rey.

[The statement of Mr. Reed follows:]

Statement of Pearlie S. Reed
Chief, Natural Resources Conservation Service
United States Department of Agriculture
Before the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
February 27, 2002

Thank you for the opportunity to appear before you today to discuss our FY 2003 budget request. Conservation is important to me. I've devoted most of my adult life and my career to helping people get conservation on the land. I want to thank the Committee for their support for conservation over the years, and especially last year during the FY 2002 appropriations process. The terrorist threat and the weakening global economy forced all levels of government to make hard choices to balance many competing needs. Your concern for conservation of the Nation's priceless resource base means healthier land and cleaner water for people now and a more secure future for future generations of Americans.

The farmers and ranchers who are the managers and caretakers of the Nation's agricultural lands want to be good stewards of soil and water. They want to protect the environment in which they and their neighbors live; they want to hand on to the next generation a land as productive and healthy as the one they received from the last generation. But they need help to be the good stewards they want to be.

For the help they need, producers and other land users rely on NRCS. They know they can expect good service from NRCS; they value the usefulness, accessibility and clarity of our advice and information; and they appreciate the courtesy and professionalism of NRCS employees. Just how highly they rate NRCS's service was revealed by a recent survey conducted by the University of Michigan using the American Customer Satisfaction Index. A sample of those who received conservation technical assistance last year gave NRCS a score of 81 out of a possible 100 points. This is 10 points higher than the average for private sector services and 12 points higher than the average index of Federal government services. Users of conservation technical assistance gave NRCS a trust index of 90 out of a possible 100 points.

I hope that we will be able to work with you this year to continue your funding support for conservation in FY 2003, and especially to maintain the funding level needed to ensure that the conservation delivery system that this Nation has built over the past 65 years can continue to help local people care for the land.

Discretionary Funding

Conservation Operations

The President's FY 2003 budget request for Conservation Operations proposes an increase of $118.19 million. The increase includes transfers from the Office of Personnel Management and USDA's Departmental Administration account that are part of the President's government-wide management initiative for agencies to pay the full cost of

certain employee benefits. The explanatory notes provided to the Committee provide information on the comparable levels for these items in FY 2001 and FY2002.

The Conservation Operations account funds the basic activities that make effective conservation of soil and water possible. It funds the assistance NRCS provides to conservation districts, enabling people at the local level to assess their needs, consider their options, and develop area-wide plans to conserve and use their resources. Conservation operations support the site-specific technical assistance NRCS provides to individual landowners to help them develop plans that are tailored to their individual economic goals, management capabilities, and resource conditions. It also includes developing the technical standards and technical guides that are used by everyone managing soil and water--individuals, local and state agencies and other Federal agencies. And it includes our Soil Survey and Snow Survey Programs and other natural resources inventories, which provide the basic information about soil and water resources that is needed to use these resources wisely. This basic inventory work contributes to homeland security as well as to the long-term sustainability of the Nation's natural resource base.

In FY 2001, technical assistance supported by Conservation Operations funds, enabled landusers to treat 9.6 million acres of cropland and 11.3 million acres of grazing land to the resource management system level (sustainable management). On 3.5 million acres of cropland that had been eroding at severely damaging rates, NRCS technical assistance enabled farmers to reduce erosion to the tolerable rate or less, thus preserving the productive capacity of the soil. Overall, NRCS provided planning assistance on more

than 31.4 million acres of land in all uses and application assistance on more than 28.6 million acres.

In FY 2001, NRCS continued to assist producers to respond to the public's concerns about water quality, concerns that are continuing to result in the enactment of increasingly more stringent regulations addressing water quality at local, State, and Federal levels. We provided assistance to apply conservation systems to address water quality concerns on 14 million acres. Practices that were applied to help protect water quality included: 5.4 million acres of nutrient management; 1.2 million acres where irrigation water management was improved, and 524,343 acres of buffer practices. All of these activities were supported by Conservation Operations; in some cases, funds from other Federal programs or State or local sources were utilized in combination with Conservation Operations.

Adequate funding for Conservation Operations in 2003 will enable NRCS to maintain our level of assistance to the basic needs of producers all across the country. It will also enable us to increase our attention to critical resource concerns, such as animal feeding operations and grazing lands.

Operators of animal feeding operations need increased assistance in order to respond to the public's growing concern that such operations pose a threat to the environment. NRCS has invested in technology development and training to ensure that agency and partner field staff are prepared to provide the help AFO operators need.

Ensuring that assistance is available to all AFO operators who need it will be a major challenge-- as many as 270,000 AFOs may need assistance. The President's budget provides Conservation Technical Assistance funds to increase AFO assistance, to the extent practicable.

Another serious concern continues to be the health of private rangeland and pastureland. The Nation's 630 million acres of non-Federal grazing lands are vital to the quality of the Nation's environment and the strength of its economy. In FY 2001, NRCS provided technical assistance to land users on more than 18 million acres of private grazing land. Improved grazing land health on these lands will benefit society as well as the landowners. Healthy grazing lands mean reduced erosion, improved air quality, reduced potential for flooding, improved fisheries and aquatic systems, and healthy riparian areas. The plant cover on grazing lands can reduce the impacts of drought and sequesters millions of tons of carbon. The 2003 budget continues this important work.

Resource Conservation and Development

The President's budget also includes an increase for the Resource Conservation and Development Program. Through the RC&D program, NRCS works in partnership with local volunteers organized as Resource Conservation and Development Councils representing multi-county areas. Each council consists of public and private sector sponsors and other local organizations that represent a diverse cross-section of community interests. These local councils play a vital role in improving the quality of

life and standard of living in rural communities across the Nation. NRCS provides a coordinator and an office for each council. Currently a total of 368 RC&D areas serve more than 81 percent of the Nation's counties and more than 75 percent of the population. We have received applications from an additional 21 areas, and at least 10 other areas are forming across the Nation. The President's budget proposes funding of $52.031 million for FY 2003 which would enable continued support of the 368 authorized areas.

For every dollar appropriated by Congress, the RC&D Councils provide an average of $14 from other sources to carry out projects they have identified as critical to helping their communities socially and economically. RC&D reporting data for FY 2001 indicate that councils and their partners created 514 new businesses, helped expand 1,830 businesses, and financially assisted 1,099 businesses. An estimated 7,494 jobs were created through area projects. Efforts to improve natural resources resulted in improvement of 878,343 acres of wildlife habitat, improvement of 224,871 acres of lakes, and 5,038 miles of streams. Educational projects helped 283,249 people develop new skills. RC&D projects helped 778,350 economically or socially disadvantaged people.

Watershed Planning and Operations and Emergency Watershed Protection

The President's budget for FY 2003 proposes to eliminate Watershed Surveys and Planning, Watershed and Flood Prevention Operations, and the Watershed Rehabilitation Program. The budget requests funding for Emergency Watershed Protection (EWP) to provide assistance to local communities when disasters occur. EWP helps communities

reduce imminent hazards to life and property caused by flood, fires, windstorms, and other natural occurrences. Through EWP, NRCS provides technical and financial assistance for immediate cleanup and subsequent rebuilding of damaged areas and for restoration of stream corridors, wetlands, and riparian areas. Emergency work includes establishing quick-growing vegetation on denuded land, steeply sloping land, and eroding banks; opening dangerously restricted channels; repairing diversions and levees; and purchasing flood plain easements. Under EWP, NRCS also provides assistance in urban planning and site selection to the Federal Emergency Management Agency when FEMA is relocating communities out of the flood plain.

NRCS emergency watershed protection efforts have traditionally been dependent upon Congressional emergency supplemental appropriations enacted after an event has occurred. Over the past 10 years, these appropriations have averaged $110 million annually. The President's budget for FY 2003 proposes to ensure more timely and effective response by providing an appropriation of $ 111.389 million so that assistance can be on the way as soon as a disaster occurs.

Commodity Credit Corporation Funded Conservation Programs

Environmental Quality Incentives Program

EQIP provides producers and landowners with incentives to implement long-term, comprehensive conservation farm plans. The final 2003 level for EQIP will be set when

the new farm bill is passed. For planning purposes, the President's budget for ten year funding for Farm Bill programs assumes a $1 billion level for EQIP in FY 2003.

Demand for EQIP has historically exceeded the available funding. In FY 2001, for example, total EQIP funding was $199.9 million, whereas the funds requested totaled an estimated $359.4 million. Of the 47,461 applications for program assistance received in FY 2001, only about 37 percent (17,684 applications) could be funded. The total unfunded backlog of EQIP applications is more than $1 billion.

Two examples where EQIP technical and financial assistance is especially important are protecting the quality of water in the Colorado River and helping livestock producers protect the environment. The Nation still needs to reduce salt loading to the Colorado River by an additional 0.86 million tons per year to meet treaty obligations. Producers are willing to help achieve that goal, but they need technical assistance from NRCS to design and implement practical and effective conservation measures; and they need financial assistance. The current backlog of EQIP applications for salinity control measures reflects almost $150 million in financial assistance.

The technical and financial assistance provided to operators of animal feeding operations through EQIP is an important supplement to the basic technical assistance provided through Conservation Operations. Because many comprehensive nutrient management plans include complex structures that are expensive to install and maintain, some producers simply can't implement them without financial assistance. The

President's 2003 budget will provide for financial and technical assistance under EQIP for AFO-related concerns in FY 2003.

Agricultural Management Assistance

This program, which was first implemented in FY 2001, provides technical and cost-share assistance in 15 states where participation in the Federal Crop Insurance program has historically been low. In FY 2001, NRCS administered $8.3 million to provide assistance in improving water management, including irrigation water management; planting trees for windbreaks or water quality; and mitigating risk through diversification or resource conservation. The President's budget for FY 2003 assumes continued funding at the authorized level of $10 million in total for the program.

Closing --- Partnership for Conservation

Mr. Chairman, as you know, conservation of the resources on the Nation's private land is a voluntary partnership effort that relies on many individuals, groups, and governmental entities working together to achieve common goals. The foundation of this effort is the traditional partnership between NRCS, local conservation districts, and state conservation agencies. Conservation districts are units of state or tribal government that are responsible for setting priorities and developing conservation programs for their area. They are operated by boards of locally elected officials who serve without salary. NRCS provides assistance on private lands through the districts. NRCS and state and local

employees in a field office work as a team, using the same case files and technical tools. District employees administer local and state conservation programs and help NRCS specialists in delivering Federal programs in the district. NRCS specialists provide assistance to achieve local priorities, deliver Federal programs, and help deliver state and local programs.

The most important members of this conservation partnership are the people who own the land and make the decisions about its use.

NRCS's role is to provide the infrastructure -- the foundation of science and technology that is essential to using natural resources productively while protecting their quality and an effective delivery system to make that knowledge available to those who need it in forms that are useful to them.

Conservation doesn't just happen. It takes all of us, including Congress, working together to make it happen. This concludes my statement. I will be glad to answer any questions.

Pearlie S. Reed

Chief, Natural Resources Conservation Service
U.S. Department of Agriculture

Pearlie S. Reed was named chief of the Natural Resources Conservation Service by Agriculture Secretary Dan Glickman effective March 1, 1998. The NRCS works directly with private landowners to help them implement conservation measures, and with a broad array of state and local groups to sustain and enhance environmental quality.

In February 1997, Mr. Reed was named as acting assistant secretary for administration for USDA. In December 1996, he became team leader of the USDA's Civil Rights Action Team, which was created by the Secretary to do a thorough audit of USDA civil rights issues inside and outside the Department.

A 28-year USDA career employee, Mr. Reed is known for his strong leadership, clear vision, and keen understanding of how to integrate and implement massive change. For his leadership in conservation initiatives, Mr. Reed received the 1998 Professional Service Award from the National Association of Conservation Districts. In 1996, he received the Distinguished Presidential Rank Award—the highest award that can be bestowed upon a career Senior Executive Service member. That same year he received two USDA Honor Awards—as an individual and as a group leader—for his vision and leadership in developing implementing the most comprehensive reorganization in the 60-year history of the NRCS, formerly the Soil Conservation Service. The reinvention of NRCS has resulted in a more efficient and cost-effective agency with a strong commitment to customer service and conservation partnerships.

Mr. Reed was appointed on January 3, 1994, as associate chief of NRCS. From 1989 to 1994, he served as SCS state conservationist in California, where he was responsible for managing, leading, and directing a comprehensive soil, water, and resource conservation and development program for the state. He also led the USDA Drought Task Force in California. He received a USDA Honor Award in 1993 for his managerial commitment and leadership to equal opportunity and civil rights. He has also served as state conservationist in Maryland and as deputy state conservationist in Arkansas.

Mr. Reed served in the SCS national headquarters in Washington, D.C., from 1977 to 1981 in several positions, including financial manager, budget analyst, and administrative officer. In 1979, he served as administrative officer for the National Agricultural Lands Study.

He began his career with the SCS in 1968 as a student trainee at Walnut Ridge, Ark. Upon graduation, he went to Wisconsin as a soil conservationist. He later served as district conservationist in Sheboygan, and then as personnel officer and budget and accounting officer in the state office in Madison.

He is a native of Heth, Ark., and graduated with honors in 1970 from the University of Arkansas at Pine Bluff with a B.S. degree in animal husbandry and agricultural business. He received a Master of Public Administration degree, with honors, from American University in Washington, D.C., in 1980.

Lawrence E. Clark
Deputy Chief for Science and Technology
Natural Resources Conservation Service
United States Department of Agriculture

Currently, Mr. Clark is the Deputy Chief for Science and Technology for the Natural Resources Conservation Service (NRCS) (formerly the Soil Conservation Service (SCS)) in Washington, DC. He entered this position in January 1999. He served as Deputy Chief for Programs from 1996 to 1998. He was State Conservationist for Ohio from 1994 to 1996. He serves on the US/South Africa Binational Commission and the US/Ghana Consultative Committee on Agricultural and Rural Development.

Originally from Scotland Neck, North Carolina, where he grew up on his family's farm, Clark began his professional career as a student trainee in Morgantown, West Virginia. He has held numerous positions with the agency in Columbus, Ohio; Indianapolis, Indiana; Washington, DC; Portland, Oregon; Phoenix, Arizona; and Raleigh, North Carolina.

Mr. Clark earned Master Degrees in Public Administration from the J. F. Kennedy School of Government at Harvard University and in Regional Planning from the University of North Carolina. He holds a Bachelor of Science Degree in Agricultural Economics from North Carolina Agricultural and Technical State University.

Among his many credits, Clark was the principal author of a National Natural Resources Policy for The Gambia; he co-chaired the SCS Work Force Diversity Initiative; and has been a Total Quality Management Coordinator and Facilitator. He consulted with China, Australia, South Africa, Togo, Nigeria, The Gambia, and Ghana on natural resource issues through USAID and the Foreign Agricultural Service. He is a Ford Foundation Fellow and is a Certified Environmental Professional. He has received numerous performance awards including a USDA Honor Award. Mr. Clark is a deacon and Sunday school teacher.

Mr. Clark is a member of the Soil Conservation Society of America, the National Association of Conservation Districts, and the World Association of Soil Conservation. He enjoys carpentry, and he collects domestically produced wines and pottery. He and his wife, Dorothy, have two grown children.

BRENDA M. THOMAS
Acting Director, Budget Planning and Analysis
Natural Resources Conservation Service
U. S. Department of Agriculture

Brenda M. Thomas has served as Acting Director, Budget Planning and Analysis Division, Natural Resources Conservation Service since October 2001 and is responsible for leadership and staff support for the NRCS budget formulation process.

Mrs. Thomas has been the senior budget analyst for NRCS for the past seven years during which time she has had responsibility for budget preparation for the Conservation Operations Program. Over her 28 plus years with the NRCS, she has received numerous awards for outstanding and superior service and in December 2000, was a recipient of a "Hammer Award" for her role in the Deputies' Working Group for Capitol Planning. Mrs. Thomas began her government service career with the Soil Conservation Service (now Natural Resources Conservation Service) in June of 1971, one month after graduating from Union College in Kentucky with a BS in Business Administration. During her years with NRCS, she has been responsible for the preparation of the budget for each of the Agency's discretionary programs.

Mrs. Thomas and her husband Dennis have two daughters and reside in Herndon, Virginia.

Mr. BONILLA. We are going to proceed a little differently this morning. We had a little mix-up at the last hearing, and I apologize for that to Mr. Boyd. He was recognized out of order. I am going to yield to him first today.

Mr. BOYD. Thank you very much, Mr. Chairman. I appreciate that. I feel sort of strange jumping in front of Ms. Kaptur and Mr. Walsh and others, but you are the Chairman.

First of all, let me say welcome to all of you, and Mr. Secretary, it is great to see you sitting in that seat. I have had the pleasure of working with you on a very important landmark piece of legislation that improved communities that have national forests in them. Many of us who are now benefiting from that legislation owe a great deal of thanks to you for shepherding that through when you were in a very important position on the Senate staff. So thanks for that, and thanks for being here.

WATERSHED PROTECTION

I want to start my line of questioning by focusing on the area of watershed protection, because I know there seems to be a change of direction in the watershed programs in the President's budget. The PL 566 program specifically is a nationwide program, as you know, that was designed to protect and improve watersheds up to 250,000 acres in size.

Currently there are approximately 515 active watershed projects under this program around the country, while I don't understand all of what is going on in the rest of the country, I do understand what is going on in Florida, and I want to give you a very specific example of how the NRCS, with this watershed program, has made our lives better.

SUWANNEE RIVER BASIN

There is a rather famous river down there called the Suwannee River, which many of you have heard about. That Suwannee River builds up in south Georgia in the Okefenokee Swamp, and it flows across the Georgia line and into the Gulf of Mexico. It is a historic natural resource, and obviously the pressure around that river to build, to have agricultural businesses, has been immense over the last 50 years. But at the mouth of that river there is a very important shell fish industry, oystering and clamming and those kinds of things. Over the last 15 years, the Federal Government, the Department of Labor, and the State Department of Agriculture have worked hand in hand with the local community to build an agriculture industry that has become very successful and has really helped our communities.

We are only able to do that because we kept that river clean. In the northern Suwannee basin, there are probably 75 to 80 dairies. It is a big dairying community. About 8 years ago, we put in place the PL 566 program to clean up—or help assist these areas in their waste disposal.

It has been a very successful program, and we are in the 9th year of that program, and this budget ends what we are about 3 years away from completion. Just this morning, I talked to our water management district director down there, and we are going to need about a million dollars funding each year over the next 3

years, but your budget ends that. This problem is what I want to focus my question on, and I want you to talk to me a little bit about the so-called—emergency watershed protection proposal which you have that seems to take those kinds of programs and shift them to something to respond to some emergency.

My contention would be that if we would prevent the emergency from happening to start with, we would be a lot better off.

WATERSHED PROGRAM TERMINATION

Mr. REY. The discussion within the administration about the watershed operations program of NRCS was, I think, honestly speaking, the greatest challenge that we faced in the development of the NRCS 2003 budget. And that has been the case in the past, that is not necessarily a new development. In fiscal year 1994, for instance, at the end of the day, Congress reduced the watersheds operations budget by 50 percent to respond to emergency flooding in 1994 with what was supposed to be a one-time reduction that was never modified thereafter. So funding has stayed flat from 1994 to present.

In this budget cycle, we face challenges and difficulties in making trade-offs more severe than we faced in 1994, and the treatment of the watershed operations program is a reflection of that.

At the same time, we are mindful of the fact that the program has a great deal of local support and support among members of Congress. Indeed, in fiscal year 2002, 64 percent of the funds for the watershed operations account were earmarked by members of Congress, which to me is a reflection of strong congressional support. The one thing that I can commit to you is that the discussion over what priority this program should enjoy, given the other budget priorities we are trying to deal with, both administration-wide and within the Department, is a discussion that will continue.

It is not uncommon, for programs that are authorized by statutes that are 40 and 50 years old, which is the case with both of our watershed operations accounts, to face this kind of scrutiny. It is a scrutiny that we don't shirk from, and a discussion that we want to continue to have with you.

Mr. BOYD. Mr. Chairman, I will follow up, since I see my red light is on I will follow up later on. Thank you——

Mr. BONILLA. Thank you, Mr. Boyd.

Mr. BOYD [continuing]. For your kindness.

Mr. BONILLA. Mr. Boyd hit the nail on the head this morning, Mr. Rey. I feel that we are going to probably hear from a lot more members on this subcommittee about this specific subject. This is the subject that had Mr. Boyd not started out with it, I was going to begin with it myself. I can assure you that we are hearing from our project managers, not only in our particular areas, but from people all over the country. There is great concern about how to fund some of the smaller projects, and some of the new projects that are pending. So we are going to work this out, and I think after this morning, you will walk away with a clear sense of the feeling of every member on this subcommittee about this watershed issue.

Ms. Kaptur.

Ms. KAPTUR. Thank you, Mr. Chairman, and I am always happy to yield to my good friend from Florida, Mr. Boyd, and I thank you for your courtesy to him.

ADMINISTRATIVE EFFICIENCIES

I wanted to ask Secretary Rey, now, in the budget that you submitted, as I read it, there are proposed cuts, or you describe them as savings, of over $30 million from what is called administrative efficiencies that were not mentioned in your testimony this morning. The budget provides almost no details on these so-called efficiencies. I have several questions in regard to this. First of all, I would like to know whether when your budget was submitted to OMB, whether those efficiencies were a part of your original proposal or not, and whether the budget you are submitting to us today is the same one that you submitted to OMB.

I would like to know how did you arrive at such a precise estimate of efficiencies of $30.8 million in 341 staff years, and I would like to know that if these savings are not achieved, what happens to the conservation operations account?

Mr. REY. I don't think it will surprise anyone on this subcommittee to know that the budget that we submitted to OMB is not the final budget that we sent to Congress. I doubt that that is the case for any agency or department of the government. We did submit to OMB some efficiencies which we believe would result in savings. They had some additional efficiencies that they suggested to us would result in greater savings. In the course of working back and forth with them about what we thought we could reasonably achieve in the course of a fiscal year, we agreed on the number that is included in the President's budget.

Most of those efficiencies—and I will let Mr. Kaplan expand on this—but most of those efficiencies are efficiencies associated with our continuing effort to collocate offices with other USDA agencies and to combine administrative functions in the field and to continue to extend the service center concept. So I don't think that those efficiencies imply reductions in Conservation Operations. To the contrary, the idea is to try to stretch our dollars further to achieve more conservation operation per dollar, but most of them instead envision one set of support service staffs serving NRCS, FSA and Rural Development as we continue to collocate offices.

Did you want to add to anything?

Ms. KAPTUR. No. That is fine. Is it possible then for you to provide more detail to us——

Mr. REY. Sure.

[The information follows:]

NRCS has been working with the USDA Service Center Modernization Initiative (SCMI) to restructure county field offices, modernize and integrate business approaches and replace the aging information systems with a modern common computing environment (CCE) that optimizes information sharing, customer service, and staff efficiencies. There are many proposed, planned, and ongoing management initiatives designed to reduce overhead expenses thereby allowing additional resources of the County Based Agencies (CBA's) to be shifted to the field level. These initiatives include: completing the Common Computing Environment; updating telecommunication capabilities; competitive sourcing of 15% of the FTE's on the FY 2000 Federal Activities Inventory Reform Act list; studying efficiencies that can be gained by restructuring or reengineering the CBA's administrative functions; and additional service center office consolidations.

Ms. KAPTUR. How do you actually calculate these savings or efficiencies? And you are saying that you assume you will achieve these? But in any case if you don't, there will not be a hit on the conservation operations account?

Mr. REY. No. There would not be a hit on the Conservation Operations account. If we don't achieve them, we will have to reprogram in the following year, but so far—and I sort of have to knock on wood—so far when we have agreed to a target with OMB, we have met it. Now, that is not to say that as an initial matter at the beginning of the discussion we will be starting an agreement, but ultimately when we have reached an agreement on what are achievable levels of efficiencies, we have, over the last three or four cycles, achieved them.

CONSERVATION INFRASTRUCTURE

Ms. KAPTUR. All right. Let me move quickly to Chief Reed and ask, as you look at your entire, really, stellar career, what would you say are some of the major achievements that you feel that you have had, and as you look forward, what are some of the challenges we still face in the conservation arena as we try to think more at the policy level rather than the accounting level here? Where should Congress be focused?

Mr. REED. Well, first I think the greatest achievement I have seen in my 30-plus-year career is the pulling together of the basic conservation infrastructure out in the countryside.

Ms. KAPTUR. And how much, Chief Reed, of the countryside do we now cover, of the private lands where we have got voluntary groups working?

Mr. REED. Under our Conservation Operations activity, we cover all the continental United States and the areas outside the continental United States, with few exceptions. Keeping the basic Conservation infrastructure together and the partnerships so that we can deliver the basic conservation programs and services to the farming and ranching community, is where the Congress should be focused as the current farm bill is being debated. I see the greatest challenge for NRCS is being able to keep a good solid professional workforce in place throughout the country so that we can provide the appropriate level of technical assistance so that we can implement programs that are being debated, programs that we know will be needed in the future.

CUSTOMER SERVICE RATING

Ms. KAPTUR. I know that my time is expired on this first round, but I just wanted to say, to receive an 81 percent score from the University of Michigan's business school is unheard of, even in the private sector, and so to have that kind of favorable response to your activities is a true credit to the professionalism of those cooperators and advisers all over this country, and I guess that tells me that USDA better be careful in the future to not make changes that would harm that level of service.

LAND STEWARDS

I just wanted to mention that recently in my own community, one of our chief cooperators and land stewards died, and I had the privilege to attend his funeral. It really made me think about how we recognize these individuals, and I don't think we really do very well. I represent both an urban and a rural area, but we have had just these tremendous stewards that have helped to develop a conservation ethic in our region, and I have been thinking about what more could we do to acknowledge and lift up these people as models to the broader community. If you have any suggestions about that, I really have been thinking about that of late. There are a whole set of individuals who are part of this team locally, the original, I guess you could say, the original plantings, and they have now matured and moved on. But we don't seem to—at least in our region—recognize them appropriately to the broader community. If you have any suggestions on how we might do that, I would be most grateful to you.

Mr. REED. We are in the process right now of internally developing a program to address just that. I would like to follow up sometime in the next 2 or 3 days and provide you with a status report on where we are with that project.

Ms. KAPTUR. I thank you. Thank you, Mr. Chairman.

Mr. BONILLA. Thank you, Ms. Kaptur.

Mr. Walsh.

IMPORTANCE OF WATERSHED PROTECTION

Mr. WALSH. Thank you, Mr. Chairman, and thank you both for your testimony today. I would like to associate myself with the remarks on my colleague from Florida, Mr. Boyd and with the chairman on watershed protection. We spend, in our office, an inordinate amount of time on water resources. We have lots of water in New York. It is extremely important to our quality of life to industry and to the environment, and also the conservation reserve program, which has benefitted primarily—primarily the western part of the country, but we have great interest in that program, and I will continue to be a supporter of that program. And we very much appreciate what you will do to protect those resources.

ENVIRONMENTAL RISKS OF ANIMAL FEEDING OPERATIONS

My question regards animal feeding operations, and as you mention in your testimony, there are significant environmental risks posed by these operations. And they also pose a tremendous difficulty for farmers to comply with the regulations that have been proposed by EPA and USDA. I believe that in order for farmers to comply with those regulations, we are going to have to be supportive and do our part, and I just wanted to ask you your thoughts, either or both, on what you feel are the major obstacles that animal feeding operations will have, and are we prepared to provide them with the resources they need to meet these new regulations?

Mr. REY. I will start, and then I will ask Mr. Reed if he wants to augment the remarks.

I think the challenges are twofold. First, the development of reasonable and understandable requirements, and then second, the assurance of a delivery system on the ground that assists farmers in meeting those requirements. We are committed to addressing both of those challenges.

In the first instance, with EPA's cooperation and support, USDA has formed an interdepartmental working group, which Dr. Gray behind me cochairs with the EPA, to work on the development of both animal feeding operation and concentrated animal feeding operation regulations, as well as a number of other common concerns affecting the environmental implications of agricultural operations.

I believe what we are going to see as a result of that collaboration are a set of regulations that are farmer friendly and that can be reasonably implemented to affect material water quality improvements.

The second challenge, developing delivery systems to assure that farmers have the assistance and the resources to implement those regulations, is something that I hope and believe that we will be assisted in as Congress completes its work on the farm bill. There is a considerable amount of EQIP money devoted to that task, and if Congress does finalize the farm bill and continue that approach, we are eager to get about the task of implementing it.

Mr. REED. I would just like to add to that by saying that the amount of technical and financial assistance available to farmers, in my opinion, will be key relative to USDA's ability to support the farming and ranching community.

Mr. WALSH. The approach that EPA takes is far more regulatory, and USDA tends to stress voluntary compliance. And as we all know, EPA will, in effect, put a gun to the head of a municipality to meet clean water standards based on waste water treatment and those sorts of problems, pollution—other pollution nonpoint source, too.

TMDL AND CAFO RULES COMPLIANCE

With the promulgation of TMDL rules and CAFO rules, which are absolutely needed to protect water resources in the country and ultimately the entire national environment, the road to hell is paved with good intentions, and farmers who are operating on a very slim margin, certainly in my area, which is primarily dairies, really, really worry about the ability—their ability to meet these requirements.

So I would just urge you when you go to prepare your budget and when you go to OMB, make the case, and we will, too, and we will support you, that we need additional resources to help our farmers comply so that they can do their fair share. I don't think anybody would disagree that farmers are excellent husbands of the land, but they can't jump through all these hoops without our help.

RELATIONSHIP WITH EPA

Mr. REY. Those are good points that we are mindful of. I think one of the advantages of the cooperative relationship that we have developed with EPA is that we are beginning to get a common cultural approach to dealing with the environmental quality implications of agriculture, and EPA is beginning to adjust what I consider

classical regulatory thinking in terms of what will really work on the ground. We are not going to bridge that divide overnight, but I think with Dr. Gray's assistance, we have at least concurred interdepartmentally on which end of the cow gets up first.

Mr. WALSH. Thank you. Thank you, Mr. Chairman.

Mr. BONILLA. Thank you, Mr. Walsh.

Mr. Farr.

Mr. FARR. Thank you very much, Mr. Chairman. I appreciate this hearing today. I am looking over the USDA's agency list, and as I look at the budgets in your agencies, you rank about number 4 among them. Half the budget goes to food and nutrition, but the rest of the budget of the agency, you rank number 4, and it is kind of interesting.

AGENCY DEALING WITH DIRT AND WHAT COMES OFF THE LAND

The way I look at it, you are the only agency in the USDA that deals with dirt, and everything comes from the dirt. I mean, everything else we spend money on comes from what is coming off the land. You are the only agency that puts time and energy into what goes into the land, and if we are going to preserve agriculture, then we have got to do it.

TERMINATION OF WATER RESOURCES PROGRAM

What I can't understand is why, after this committee spoke to the Secretary last week, emphasized that it is what is running off the land. It is about management practices that are causing great concerns, and yet when I look at your budget on the watershed flood operations, it is zeroed out. On the watershed surveys and planning, it is zeroed out. On the watershed rehabilitation program, it is zeroed out. And on the emergency supplemental funding, it is zeroed out.

Yet you have done a survey showing that the investment in the watershed program that benefits to the Nation generate about $1.6 billion. Again, my question is that you propose eliminating the watershed and flood prevention operations, and you say that these needs can be addressed by local governments, yet you don't point out why. Yet last year the Department advised this committee that there was an unfunded Federal commitment to this program, about $1.4 billion. And I am really puzzled why that last year this was an unfunded Federal commitment, and this year it is not. Can you explain that? And do you really expect the State and local governments to provide for the $1.4 billion Federal commitment?

Since it was so cost effective last year, why is it all zeroed out? And I think frankly you are going to hear from this committee over and over again. What I don't understand about the Department is that why don't we tie in conditions for risk management? Why isn't insurance based on these things? I mean, it is nice to ensure a crop, but if there is damage done to the land and there is runoff, somebody else has to pay it. That is a risk.

Why not—the cooperative State research and extension services, why can't those grants be tied into the efforts of NRCS? Why not allow the animal plant inspection service which also has a much higher budget to be tied into these practices? What I am trying to say, and I think the rest of the committee says, is that what is hap-

pening in America is people are understanding that it is—under it all, is the land. You are the only agency in the USDA that really deals with the land, and if we are going to preserve this land and protect it so that it doesn't have downstream—you know, we can do fine on the site, but if it is having—if that site creates problems downstream, we are going to pick that—we are going to have to pay for that somewhere else.

So to me, zeroing out the watershed management program is, you know, robbing Peter to pay Paul. It is just foolish, totally foolish. It doesn't make any sense at all, and in light of what you said last year about the program, can you explain why it is zeroed out this year?

Mr. REY. I think on the watershed programs, I am getting a fairly consistent theme here. We are a little dense, but we are not that thick. So we will obviously take that back. We will obviously continue to talk about that as this budget cycle progresses. And as I said earlier, the priority setting that we do as an administration, that you do as a Congress, with respect to the watershed program is not new this year. We cut the program in half in fiscal year 1994, and that money was never restored, even though it was supposed to be a one-time effect in response to flood conditions. But clearly, this discussion on watersheds will continue.

EROSION AND CONSERVATION OPERATIONS

With regard to erosion and Conservation Operations, I would make two points. One, I think our budget is sound there. It is not reduced from fiscal year 2001 levels. But, two, and probably more importantly, much of the effort that will go into those on the land programs are going to be a combination of not only this budget but the funds that are provided through the farm bill programs which provide the majority of assistance to farmers today for those kinds of programs including EQIP, CRP, farmland protection, wetlands reserve, and wildlife habitat improvement.

So I don't think you are seeing the full picture with just this budget. Once Congress completes its work on the farm bill, and put that alongside the budget, I think what you are going to see in total—and, again, I am not talking about watersheds now, I am talking about on land conservation, I think what you are going to see in total is a pretty robust program for moving forward in the next century.

Mr. FARR. What about the integration of all of the agencies?

Mr. REY. I think we are seeing more of that now. It is something that we work on a lot, both in collocation, as well as in combining planning functions. But we can do better at that, and we will continue to strive to do better at that.

Mr. FARR. Thank you.

Mr. BONILLA. Thank you, Mr. Farr.

A little logistical information here. We are going to have to go vote soon. Mr. Latham, my vice chairman on the subcommittee, is now on the floor and will return and continue the hearing immediately upon his arrival. So you might need to be patient with us for just a couple of minutes.

But at this time we do have a couple minutes before we have to depart, so I would like to yield once again to Mr. Boyd if he has any additional questions.

CONSERVING SOIL AND WATER

Mr. BOYD. I really didn't want to leave this topic without saying to you good folks who have spent your life in the business of helping America's ag producers conserve soil and water that this panel recognizes the importance of your work. I have got pictures on my office wall at home of my family farm that were taken in 1940, when my father started farming it and there are washes and ditches in it large enough to park a truck in.

The efforts of the United States Government through the old soil conservation service, now NRCS—and we can argue about how we put it together, what vehicle we do it with, but the efforts that we have made together with the industry have made us the premier ag-producing country in the world. We know that times have changed, and now our challenges are different. They are not how do we keep holes from getting in our field. We figured that out long ago.

In most of our productive ag land, we have good practices in place. Our challenge now is the pressure being put on our ag-producing land from outside urbanization and developing ways to deal with those problems?

That is really what we are talking about here today, and the watershed program is one way to preserve our natural resources, make sure that our estuaries are clean, make sure that our drinking water in our urban communities is clean, and make sure that the streams and ponds are productive for fish and those kind of things. That is really what we are talking about and that is what this committee wants to focus on. How do we take the needs of the changing times in conservation and focus on that.

I just want to put a face on this watershed thing.

In 1994, when the program started, we asked 43 dairies in the Suwannee Valley area to participate in the program. Now, you all know that getting a farmer to participate in a Federal program is not an easy thing to do. We got 40 out of 43 dairies who committed to clean up their waste coming out of that area. With the help of NRCS we have completed 30 of those.

We still have 10 that are in the implementation process, and we just can't pull the plug on those guys. I mean, I can't go home and face those guys if I have to tell them that the PL 566 program is no longer in place. Not only am I not going to be able to face them, I am not going to be able to face the oyster men and the clam fishermen down on the coast.

I just wanted to put that personal face on what you are doing and the importance of the work that you all have spent your life dedicated to. I know there is no question there, Mr. Chairman, but I just wanted to make sure that it got to be part of the record.

Mr. BONILLA. Thank you, Mr. Boyd. Again, Mr. Boyd is reflecting the views of perhaps every member of this subcommittee.

Mr. REY. I don't think there is any "perhaps" about it.

Mr. BONILLA. I only hedge it somewhat, because there have been a couple of members who have not shown up for the hearing.

Mr. BOYD. Mr. Chairman.

Mr. BONILLA. Yes, Mr. Boyd.

Mr. BOYD. One other thing I want to say is obviously—and I have known this for a long time, that Mr. Mark Rey is a very quick study.

Mr. BONILLA. The word around town is as much.

Mr. FARR. Mr. Chairman?

Mr. BONILLA. Yes, Mr. Farr.

FOREST SERVICE ISSUE

Mr. FARR. I have one other question before we go to the vote, and let me read this. My office has been contacted by—I know this is in your bailiwick, but not under this committee's jurisdiction. It is in regards to the forest service and it is Los Padres National Forest out in my district. Both by letter and by person of several employees of that forest, concerning the management practice of the former supervisor Jeannine Derby, these employees have expressed concerns to me about what they believe a hostile work environment created by Ms. Derby's management, in particular, several have cited the climate where harassment goes unpunished and where victims who complain are subject to various forms of workplace retaliation. I am not in the position to judge the individual merits of these complaints, but I have concluded that there is enough smoke that there must be some fire there, and I understand that the forest service has initiated several internal reviews of the problems, and I ask that your office advise me as soon as feasible as to the results of these reviews, and further ask that the—keep me informed on the steps that will be taken to fix any of the problems that you might identify out there.

Mr. REY. We would be happy to do that. We have a new regional forester in California, and dealing with this, and some similar personnel issues is one of his top priorities. He came on board the first of the year.

Mr. FARR. I appreciate that.

Mr. REY. At some point when we have got some results, we will make an appointment with you and go through them.

Mr. FARR. Okay. When I come back from the vote, I want to talk more about watersheds.

FARM BILL

Mr. LATHAM [presiding]. Good morning. You are very fortunate. I think we are going to have a short hearing this morning. I just had a couple questions. I guess on the farm bill, it would appear that both versions really have competing interests, real strong commodity title and a real strong conservation title. And I would be curious if you have done any kind of background or research or—Pearlie, I don't know if you have information on it, but how is this going to shake out with all of the incentives in both the House and the Senate bills for production? Strong incentives on conservation? Have you seen where one side—I mean, both side is fully funded, basically. How do we resolve that?

Mr. REED. I have what I would consider to——

Mr. LATHAM. And also tell me about farmland.

Mr. REED. First, I would like to defer to Mr. Rey. I think he would be the person to first address your question.

Mr. REY. The administration is committed to a fully funded farm bill that is consistent with the budget resolution limitation. We would like the funding levels to be even throughout the life of the farm bill so that the money is not front-loaded in a way that it diminishes the baseline funding in the outyears. Within that overall limitation, we think there is sufficient funding, both to meet our obligations to farmers in the commodity programs, as well as to mount a robust conservation effort. Discussions are ongoing about the balance between the two, and that is probably not a question we can unilaterally answer, given the status of the conference. But I think that I can say one thing, and that is whatever emerges from conference will be the strongest congressional commitment to conservation programs since the dust bowl era. Assuming that it fits within the budget resolution, it will be signed by the President, and it will be our honor to embark on a program of conservation that will far exceed what many of us thought possible a year or 18 months ago.

Mr. LATHAM. Do you share my concern that—and I am an Iowa farmer. I live on a farm a mile outside of the big town of Alexander there, 167 people, and just being a farmer myself, if the incentives are there for full production, and Senator Harkin's staff person has said that that will bring in—their bill would bring, according to their study, a little over 2 million acres into production. I know my neighbors, and I know the way farmers like to grow corn and soybeans in our part of the country, that with that much incentive in there in a commodity title, do you have concerns about the conservation side, that how do you compete with production? I think we are looking at a bill—it becomes more apparent to me that if you are a fertilizer chemical dealer, you have got a really good deal coming.

COMMITMENT TO CONSERVATION

Mr. REY. I think the commitment to conservation in both bills is real, and designed to fit within the budget resolution, there will have to be some give, both in the commodity programs and in the conservation programs. But I think and hope we will end up with a product that strikes a reasonable balance. Senator Harkin's bill is very generous to the commodity programs, but it is also very generous to the conservation programs.

Mr. LATHAM. But I just know Iowa farmers, and I know my neighbors love to grow corn, and I would like to see the conservation side much stronger, myself. I don't think there is a balance right now. That is my major concern on the farm bill.

Okay. In 1999 there was the USDA verdict that said that the NRCS misunderstood and improperly enforced the wetland conservation provisions of the farm bill, that the landowner is entitled to make improvements needed to maintain the levels of use, scope and effect that resulted from more far-reaching modifications than in the past. Have you started to enforce that or write new rules, or do you know what is happening?

Mr. REED. I believe that is the Nebraska situation isn't it?

Mr. LATHAM. I believe so.

Mr. REED. We are working with that family and are in the process of working through, under the minimal effects provisions, the solution to that problem. We are also working with our Office of General Counsel, taking a look at the ruling and going back to look at everything we do to make sure we take what came out of that particular ruling into consideration.

CONSERVATION SECURITY PROGRAM

Mr. LATHAM. what is USDA's estimate to carry out the conservation security program as included in the recently passed Senate farm bill for each of the fiscal years 2002 on? How much of the total would go towards technical assistance for each of the fiscal years 2002 through 2011? Would all the technical assistance be carried out by the NRCS? That is an easy question for you, Pearlie. Come on.

Mr. REED. I would like to defer it to the Secretary. But let me take a quick shot at it. We are developing those estimates. If you are interested in the details, I could ask our deputy chief of programs, Tom Weber, to come up, or we could follow up and provide that to you. And, with respect to us carrying out the technical assistance to do the work, we know that we don't have the wherewithal to do that. We are looking into third-party vendor provisions that we think will come out of the farm bill, as well as all other options that might be available to us in working with our partners to get the work done.

BUDGET FOR UNDER SECRETARIES

Mr. LATHAM. Okay. Thank you. Mr. Rey, I know the account for the Under Secretary is a small part of the overall budget request, but on the department-wide basis, the request appears to be in excess of $55 million over the funding level appropriated in fiscal year 2002. Do you think the increases should be devoted to offices here in Washington, or do you think that the increases should be devoted to the field where the programs are delivered?

Mr. REY. You said $55 million over. I assume you meant $55,000 over 2002.

Mr. LATHAM. Apparently it is $55 million on all of the Under Secretaries.

Mr. REY. I see. The Office of the Secretary item generally——

Mr. LATHAM. $55 million.

Mr. REY. $55 million. Generally speaking, we are about putting resources to the ground, and that is a consistent thread throughout the USDA budget, particularly with the Natural Resources Conservation Service and the Forest Service, the two agencies that this mission area oversees. The increases in the Office of the Secretary's account are, I think, as a result of two things, and I will let Mr. Kaplan elaborate on these. One is some accounting changes, or putting costs of certain functions in the personnel area back to departments and agencies. You will find these increases in not only the Office of the Secretary's budget, but in other budgets as well.

The second thing I think is a function of a different management philosophy in the Department. And that is, we are not asking the agencies to account for as many individuals that we are bringing

on as Schedule C appointments, as has been the case in previous administrations.

With that, I will acknowledge my lack of expertise in the overall Office of the Secretary budget line, and turn to Mr. Kaplan to elaborate.

Mr. KAPLAN. The staffing in the Under Secretary's Office, Mr. Rey's and the other Under and Assistant Secretaries is maintained from 2002 and 2003. There is money for pay costs, there is money for inflation. The biggest increase in the Office of the Secretary is $28 million for security improvements.

Instead of trying to put money in all of the agencies' budgets to continue what we have gotten in the homeland, security supplemental in 2002, there is a lump sum in the Office of the Secretary that she can use wherever it is needed in 2003 to move along the security improvements at the Department of Agriculture.

There is also an increase of $5 million for streamlining costs. As we try to downsize and co-locaate more offices, we wanted a pot of money to be able to cover some of the costs in order to streamline our programs.

So it is not that we are adding people in the offices themselves, these are program areas that we funded out of the Office of the Secretary.

Mr. LATHAM. In the Office of the Under Secretary, there is an increase of $152,000—that is not that many dollars—for unspecified programs and other activities. There is no real clear information about what it is. Can you give us any enlightenment? And we will be asking a lot of folks what those dollars are, that $152,000.

Mr. KAPLAN. It is cost to maintain 6 staff years in the Under Secretary's Office. There are pay costs, there is a salary adjustment because salaries go up, there is the shift of retirement costs.

Mr. LATHAM. There is no line that just says "Program" and "Other."

Mr. KAPLAN. Well, there is a table in our explanatory notes that does break it out between pay costs, salary adjustments, inflation and things like that. But the idea is just—to fund the 6 staff years that are in the office today. But we will supply more information for the record.

[The information follows:]

The Under Secretary's office has an increase of $20,000 for pay; $57,000 for salary adjustments; $2,000 for inflation and $93,000 to ensure that he can fill vacancies with qualified individuals and pay office expenses. The total request for this office is $923,000.

Mr. LATHAM. I would recognize the gentleman from Virginia, Mr. Goode.

WATERSHED REHABILITATION

Mr. GOODE. Thank you, Mr. Chairman.

Let me ask you this, Mr. Under Secretary. In the funding for dam rehabilitation, you know, the program that we passed last year, and it was 25 million, you cut that and several other things in the soil and water conservation districts, and there is much concern. Tell me what your rationale was on doing that. Why?

Mr. REY. The cuts that are resulting in the greatest degree of concern are in our watershed program accounts, watershed oper-

ation accounts. And as I indicated earlier, the discussion within the administration about the funding for those accounts was perhaps the most difficult part of the development of the NRCS fiscal 2003 proposal.

That is not new this year. Those accounts were reduced by 50 percent in 1994 on what was to be a one-time basis. That turned out to be a continued flat lining of the account.

In 1994, we were responding to other priorities associated with flood conditions that were particularly difficult that year. In this budget cycle, we are responding to other priorities for Federal funding that are equally or even more difficult. And so consequently, as we rate our priorities, those programs resulted in cuts.

At the same time, as I also indicated earlier, we are mindful of the fact that those programs enjoy considerable support within Congress. Indeed, those programs were 64 percent earmarked in the 2002 budget cycle, which is a reflection of strong congressional support.

So we understand that. We are going to continue to discuss funding for those programs as this budget cycle unfolds, this being the beginning, not the end of that discussion.

Mr. GOODE. You mentioned the watershed cuts. But let's go back to the dam rehabilitation. Do you lump that in with that too, and you—it just—it was tough, of course, you had to make the cuts.

Mr. REY. It is all part of the same program.

Mr. GOODE. In a number of States you will acknowledge that there are dams that are in bad need of repair?

Mr. REY. There is no question that we have a large backlog of rehabilitation needs. That reality raises two underlying questions that I think we will be exploring as we discuss this budget area over the course of the year.

First, in light of that, should we be devoting additional new funds to new watershed structures? And that is what those accounts were providing for in previous cycles.

And, second, in light of this large backlog of rehabilitation needs, a backlog that everyone understands with the most generous budget scenarios we would only be able to put a small dent in, what priorities should we place on which facilities we rehabilitate first?

Mr. GOODE. Let me ask you this. Do you place a higher priority on building new structures or taking care of what you got?

Mr. REY. My personal view is, given the backlog of rehabilitation needs, we probably are faced with an appropriation where if we have to make that choice, we ought to be looking to rehabilitation first.

Mr. GOODE. And the 25 million that was in the budget last year, that was for rehabilitation, was it not?

Mr. REY. I don't think it was 25. I think it was closer to $10.

Mr. GOODE. Yes. I think 25 was maybe what we hoped for and ended up with that.

Mr. REY. Twenty-five was, I think, the authorization; 10 was the appropriation.

CONSERVATION RESERVE ENHANCEMENT PROGRAM

Mr. GOODE. Okay. Let me ask you this about the CREP program. A number of farmers in my area in the Fifth District of Virginia,

Nelson County being one, Albermarle County being another, Green County being another, have participated in that program. And someone here in Washington is holding up those funds, which I understand are available, but it has to do with their interpretation of well digging. Can you make a comment on that?

Mr. REED. If you are talking about the Conservation Reserve Enhancement Program it is an FSA issue, that we will have to follow up on.

Mr. GOODE. Can you see, if you can, what the problem is, because the farmers went into this to get the cows off the streams. You have got to have a well source away from the stream, and they included the paying for drilling the wells as part of the CRE program. Now those farmers that have wells as part of their conservation measures are not—they are not releasing the funds for that.

Mr. REED. We will follow up with the FSA folks this afternoon and get back to you.

Mr. GOODE. Thank you.

[The information follows:]

After the Appropriations Hearing, the National Resources Conservation Service (NRCS) contacted the Farm Service Agency (FSA) and received a status report on Congressman Goode's request concerning the release of funds in the Conservation Reserve Enhancement Program (CREP) in the Fifth District of Virginia.

FSA did suspend the approval of CREP contracts in Virginia, particularly where wells were planned. At the time, Viriginia was not adhering to the CREP policy that prohibits drilled wells as part of this program. Subsequently, FSA has established CRP policy that allows for the drilling of wells. This policy change is reflected by CRP Notice Number 396 issused and made effective on March 1, 2002. A copy of the CRP Notice is provided for the record.

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice CRP-396

For: State and County Offices

CRP Cost-Share Policy Clarification for Water Development and Water Facilities

Approved by: Acting Deputy Administrator, Farm Programs

Diane Sharp

1 Overview

A Background

2-CRP, Exhibit 9 provides that water facilities, water bridges, water gaps, and livestock crossings may be eligible for cost-share for CP21 and CP22 outside the CRP contract acres only when STC determines necessary. Further, drilled wells are not eligible for cost-share for CRP. Only shallow dug or bored wells are eligible components. Fencing is also an eligible component for practices CP21 and CP22.

Recent on-site reviews of CRP practices CP21, Filter Strips, and CP22, Riparian Buffers, indicate significant inconsistencies in the following:

- distance the water facility is located from the filter strip or riparian buffer
- distance the water development is located from the filter strip or riparian buffer
- number of water facilities
- number of water developments
- cost for each water development
- cost for each water facility
- drilled wells were allowed in conflict with 2-CRP.

Continued on the next page

1 Overview (Continued)

B
Purpose

This notice provides guidance and clarification on policy for water development and water facilities outside the contract acreage for filter strips or riparian buffers.

2 Policy

A
Cost-Share Amounts

2-CRP, Exhibit 9 provides that certain components for practices CP21 and CP22 are eligible for cost-share. The following limitations for cost-share eligibility apply:

- cost-share for the total of all water developments per contract shall not exceed $3,000
- cost-share for the total of all water facilities per contract shall not exceed $2,000
- cost-share for the total of all pipelines shall not exceed $2,000
- cost-share per foot of fencing shall not exceed the STC- or COC-established cost for a 3-strand barbed wire fence.

Important: Cost-share is available for the lowest cost option that provides a dependable water source needed to address the resource concerns.

B
Water Developments

Water developments are any of the following:

- spring
- dug, bored, or drilled well
- pond.

Continued on the next page

2 Policy (Continued)

B Water Developments (Continued)

Producers may receive cost-share if all of the following are met:

- total cost-share for all water developments on a contract shall not exceed $3,000 per contract
- technical authority (NRCS, FS, Private Sector Vendor) determines, based on the specific site conditions, that a water development is needed to provide water for livestock
- livestock currently graze or normally graze (crop residue) the marginal pasture land or cropland acreage located adjacent to the acreage enrolled in CRP as a filter strip or riparian buffer
- water development is installed according to the NRCS Field Office Technical Guide (FOTG) standard, 2-CRP, and this notice

  Note: More than 1 water development per contract may be allowed if needed to provide the water for livestock, and no other technically feasible and economically viable alternatives for water are available.

- water development is the lowest cost option that provides a dependable water source.

Examples: NRCS determines, based on the site conditions, that the producer could construct a $2,800 spring or a $2,000 drilled well. Both options would provide dependable water and would address the resource concerns. The $2,000 drilled well must be selected.

A steep pasture is bisected by a stream. The steep topography and rocky site condition prohibit the crossing of the stream by a pipeline. Two spring developments may be permitted because it is the lowest cost option to provide a dependable water source. The maximum cost-share for both springs may not exceed $3,000 for the contract.

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2 Policy (Continued)

C
Water Development Distance From Filter Strip or Riparian Buffer

Water developments may be approved for cost-share for CRP if the water development distance from the filter strip or riparian buffer contract acres are either of the following:

- up to 750 feet from the outer edge of the filter strip or riparian buffer based on COC approval
- up to 1,500 feet from the outer edge of the filter strip or riparian buffer based on STC approval.

Note: Water developments in excess of 1,500 feet from the outer edge of the filter strip or riparian buffer must be submitted to CEPD for approval. See subparagraph J.

D
Water Facilities

Water facilities are any of the following:

- trough
- tank
- fencing, included around the tank or tough
- hydrants and other necessary piping, excluding pipeline to convey water to the watering facility.

Producers may receive cost-share for water facilities if all of the following are met:

- total cost-share payments for water facilities does not exceed $2,000 per CRP contract
- technical authority (NRCS, FS, Private Sector Vendor) determines, based on the specific site conditions, that water facilities are needed to provide water for livestock

Continued on the next page

2 Policy (Continued)

D
Water Facilities (Continued)

- livestock currently graze or normally graze (crop residue) the marginal pasture land or cropland acreage located adjacent to the acreage enrolled in CRP as a filter strip or riparian buffer
- water facilities are installed according to NRCS FOTG standard, 2-CRP, and this notice.

Note: More than 1 water facility per contract may be allowed if needed to address the resource concern, and no other technically feasible and economically viable alternatives for water are available.

Important: Cost-share is available to provide the lowest cost option that provides a dependable water facility needed to address the resource concerns.

Example: A producer could choose to install 3 water tanks, gravel aprons, and fencing. Each tank, gravel apron, and fencing costs $1,500 each. The total eligible costs are $4,500. Because a maximum of $2,000 is eligible for cost-share, the producer could receive a maximum payment of $2,000.

E
Water Facility Distance From Filter Strip or Riparian Buffer

Water facilities may be approved for cost-share for CRP if the water development distance from the filter strip or riparian buffer contract acres are either of the following:

- less than 750 feet from the outer edge of the filter strip or riparian buffer based on COC approval
- less than 1,500 feet from the outer edge of the filter strip or riparian buffer based on STC approval.

Note: Water facilities in excess of 1,500 feet from the outer edge of the filter strip or riparian buffer must be submitted to CEPD for approval. See subparagraph J.

Continued on the next page

2 **Policy (Continued)**

F
Pipelines

Installing pipelines to convey water to water facilities is eligible for cost-share if all of the following are met:

- total cost-share for the pipeline does not exceed $2,000 per CRP contract
- livestock currently graze or normally graze (crop residue) the marginal pasture land or cropland where the filter strip or riparian buffer is located
- pipeline is installed according to NRCS FOTG standard, 2-CRP, and this notice
- COC's may approve contracts with pipelines less than 750 feet from the outer edge of the filter strip or riparian buffer
- STC may approve pipelines less than 1,500 feet from the outer edge of the filter strip or riparian buffer.

G
Fencing

Cost-share is available for installing fencing if the following are met:

- fencing is necessary to prohibit livestock access to the CRP acres devoted to filter strips or riparian buffers
- fencing is installed parallel and adjacent to the CRP acreage

  Note: For extraordinary cases, if the existing size and width requirements for filter strips or riparian buffers in 2-CRP, Exhibit 9 do not allow for installation of the fence parallel and adjacent to the buffer, these cases may be submitted to CEPD through STC for review.

- cost-share does not exceed the STC- or COC-established cost for a 3-strand barbed wire fence.

Note: Producers may install fencing other than a 3-strand barbed wire fence; however, cost-share is limited to the cost of the 3-strand barbed wire fence.

Important: Cost-share is available only for the lowest cost option that provides adequate fencing needed to address the resource concerns.

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2 Policy (Continued)

H **Cost**	COC and STC should review all cost data for water facilities, water developments, water gaps, and livestock crossings. COC's and STC's should take steps necessary to ensure that components of the practice are essential for the practice and the minimum needed for completing the practice.
I **Livestock Crossing**	Livestock crossing is only permitted if it is determined by COC, based on the technical authority finding, that a livestock crossing is essential for implementing the filter strip or riparian buffer. Cost-share for all livestock crossings is limited to $1,500 per contract.
J **CEPD Waiver Request**	Requests for waivers, according to subparagraphs C and E, forwarded to CEPD should include a minimum of the following: • aerial photograph of the site • location of the filter strip or riparian buffer • location of current or proposed water facilities • location of current or proposed pipelines • size of pasture impacted and approximate amount of livestock using the pasture • options considered • option selected and the rationale for selecting the option • estimated costs • technical contact person for the plan • environmental justification • letters of concurrence from the State conservationist and STC • any other pertinent documentation to support the request.

3 Action

A **County Office Action**	FSA County Offices shall: • review cost data for all water developments, water facilities, water gaps, and livestock crossings • immediately provide a copy of this notice to the technical authority at the County Office level • follow this notice for approving cost-share for outside the filter strip or riparian buffer area.
B **State Office Action**	State Offices shall: • immediately provide a copy of this notice to the technical authority • immediately provide a copy of this notice to County Offices • ensure that County Offices follow the provisions of this notice.
C **NRCS Concurrence**	NRCS has concurred with this notice.

NEW RC&D AREAS

Mr. BONILLA [presiding]. Thank you, Mr. Goode. I wanted to raise one issue that I think was received very well by most members of the subcommittee, and beyond; the USDA announcement last month of the 20 new RC&D areas that would be covered by new projections. There are dozens of counties as I look at the list here in those areas, dozens of counties that will benefit from those new projects.

My question is, what level of funding is needed to fully support this program and to take in these new projects?

Mr. REY. The administration's budget request provides funding for all of the existing areas including the 20 that were approved earlier this year.

It does not include funding for any new projects for fiscal year 2002. And we can provide you with the data. I think it probably would require about $66 million in total to fund both the existing projects—66.4 million, my memory only goes to the first two decimal points—66.4 million to fully fund existing projects as well as to favorably respond to the new proposals that we anticipate during 2002, some 20 or so new projects for that year.

Mr. BONILLA. I have a couple more questions I will submit for the record.

I will yield once again now to Ms. Kaptur.

REPROGRAMMING FUNDS

Ms. KAPTUR. Thank you, Mr. Chairman. Mr. Secretary, you talked about the potential to reprogram funds within the Agency in the event that you could not make the $30.8 million in administrative efficiencies.

How would you reprogram? Where would you reprogram from in order not to hurt conservation operations?

Mr. REY. Well, I think that your question was if we don't achieve those efficiencies, will there be a shortfall in Conservation Operations? And our expectation is that at this point, no. The question would be if we don't make the efficiencies, and therefore have higher administrative costs, where would we secure the additional funding?

The short answer is that I don't know that I could tell you that right now, because that would be the kind of decision that we would be looking at mid-year, but it would be dependent on where we have unexpended balances. But I can assure you, based on the committee's reprogramming requirements, that you would have to approve whatever we suggested by way of fund transfers to meet any shortfalls that occur.

Ms. KAPTUR. Those fund transfers would come out of conservation operations?

Mr. REY. Not necessarily. If again, if we had to make a reprogramming request to the committee, the reprogramming request would probably be one that looked across our program accounts to see where we had unexpended balances that we didn't think we would expend by year end in money that was 2003 money. Those would be the first priorities.

As I said, I don't know that I could predict that for you right now. But clearly if we do get to that point—and in parenthesis, I hope and don't see that we do—but if we do get to that point, any reprogramming will be before you as a committee, and not something we do as a matter of course.

CONSERVATION OPERATIONS—A PRIORITY

Ms. KAPTUR. Well, I just wanted to urge you—I read your testimony and your involvement in the proposals for the farm bill and overall departmental policy and so forth. When you look at the amount of money that the American people are shelling out across this country to keep agriculture propped up, we don't have a market solution to agriculture here, we have a government solution. So we are farming the government, we are not farming the market. As a minimum, we ought to be getting much more in terms of conservation for those dollars that are going out. I would urge you not to cut in the conservation area but to find ways, in fact, to use the billions and billions in support that are coming to the agricultural sector to exact more in the way of conservation. And we certainly will look at any follow-up from the Department on this. On Mr. Walsh's comments and others on this whole issue of land toxicity, water table penetration by toxics related to animal feeding, I want to urge you to do whatever you can. Coming from the Michigan School of Natural Resources, you understand the connect here that Michigan is draining on Ohio. So I will get real regional about this.

IMPACTS OF ANIMAL FEEDING OPERATIONS

If we look at the CAFO operations in cattle and dairy that have been placed on that western side of Michigan now, what is happening is the water table drains into my district and adjacent to my district. And counties like Williams County at the Michigan-Ohio line are really deeply worried about their aquifers. At the same time, we have a number of Dutch dairies now locating in western Ohio, and they are large. And they are acquiring just enough cattle—I am trying to remember what the number is. If the regulation start at 1,000—then they are buying 999. I mean, this is what is going on in western Ohio.

My question to you is, how do we work with RC&D so as rather than getting a fight—let me give you one other example. We have got Buckeye Egg now, a German firm that can't do business in Germany because it was such a bad actor. Ohio welcomed them. They are now the largest egg producer in Ohio, and Ohio is a leading egg producing State. But the problem is they are an enormous polluter. So our State attorney general has Buckeye Egg in court right now, and we have got all of these environmental problems that attend to this particular facility. That is poultry. I mentioned dairy earlier.

How do we work with you? How does my region work with you? It is Michigan, it is Ohio. How can we be proactive, to get RC&D out there in front, to help us find a better answer? First, to test the water systems that are being polluted—how bad is it—but then to develop a management plan before all of those places open up? Could you enlighten me as to the system that currently exists so we can be more proactive, rather than just ending up in court,

which is what our attorney general has done on this Buckeye Egg situation. How do we use the tools that you currently have to help us in our region, not harm the water, clean up the mess that has already been generated, and not allow the soils to become toxic? How do we use the tools that you have to do this?

Mr. REY. The two initiatives that will contribute the most to the problem that you are describing are the CAFO regulations that EPA and we are working on together to develop an understandable and farmer-friendly regulatory tool that doesn't exist at present. And second, the delivery system that we believe will be provided by the increases in amount and the utilization for technical assistance to animal feeding operations combined with EQIP money in the farm bill that is currently before Congress.

It is our hope that the two of those together will set us off in a new direction toward addressing what I consider to be one of the most rapidly developing environmental problems that we have today; that is, the concentration of operations in the animal feeding industry.

Ms. KAPTUR. I know my time has expired. But I wanted to see if Mr. Reed wanted to add to the answer, what this means. Do we have to wait maybe another year? My problem is existing, it has existed for a while. What do I do while I am waiting for all of this? And what does the rest of the country do while we wait for EPA and wait for the CAFO regulations? What do you do now?

CONSERVATION INFRASTRUCTURE

Mr. REED. I really don't have anything to add to what Secretary Rey said, other than you made reference to RC&D maybe being a tool that we can use. And I would add to that that all of our partners in this soil and water conservation infrastructure that we have out there right now are in an informal way collectively working on those issues. I think we need to continue to support and nourish that voluntary approach to dealing with the problem.

Ms. KAPTUR. Well, let me just say as you think about this question, I would appreciate any recommendations for what our particular region of the country could do while we are waiting for more advanced development of these regulations and so forth and the passage of EQIP and so forth to prevent further damage and to try to remediate the damage that has already been done. And so any further enlightenment you can provide me there on existing programs that we can use would be greatly appreciated. Thank you.

Mr. BONILLA. Thank you, Ms. Kaptur. Mr. Boyd.

FARM BILL CONSERVATION PROGRAMS

Mr. BOYD. Thank you, Mr. Chairman.

I would like to ask this question to both Secretary Rey and Chief Reed. As you know we are conferencing a farm bill now, or about to conference a farm bill. If you were king for a day and could write the section of the farm bill that applies to conservation of our natural resources and environment, how would you do it? What programs would you keep, eliminate, change, add money to, take money away from? That is a very simple question. Just what is your vision for how we, for the next 7 years or 8 years, how we deal with our natural resources conservation?

Mr. REY. I find the problem with answering "if you were king for the day" questions is that you end up spending the rest of the day in the dungeon.

But I think, generally speaking, both bills have provisions that are going to take us a long way to improving our conservation programs. And there are some provisions in the Senate bill that we prefer over the House language. There are probably more provisions in the House bill language that at least in terms of simplicity and flexibility look to us to be preferable.

But I think the better answer to the question is that either bill makes such a pronounced advance in conservation operations that the best thing that can happen is that we resolve the differences between the two bills quickly and begin to put the results of that collaboration on the ground as fast as possible, particularly to respond to developing situations that Ms. Kaptur has pointed out.

Beyond that, I would be happy to share with you the side-by-side comparisons that we have. It is not a situation where one or the other body's bill is, unfortunately, superior to the other. There are provisions in each that are worthy of support.

Mr. BOYD. Thank you, Mr. Rey, I got the answer that I suspected I would get. And that is okay.

Chief Reed.

Mr. REED. If I were King for a day. I would make sure that there are no unfunded mandates coming out of the process. And as a part of that, I would make sure that the full costs of carrying out these programs that are authorized are provided for in some way.

Mr. BOYD. But nothing jumps out in terms of the programs themselves that you would add or take away—you think the——

Mr. REED. I think in both the House and Senate versions, there is a good mix. And I think we can use whatever comes out of what is there now and integrate it in such a way so that we can make it all farmer-friendly. So I think it is good.

Mr. REY. There is one provision in the Senate bill that I think is worthy of serious consideration by the House. And that is the reauthorization of a 501(c)(3) foundation to work with NRCS to bring private sector dollars, which are not currently flowing into the system, into conservation operations. And it would be, I believe, very helpful if the House were inclined to entertain the Senate's vision there, with whatever changes you think are necessary, and give us the opportunity to create that foundation and to begin to expand on the public-private sector collaborations that we already have in the conservation area. Because I think with some creative activity, we can bring some dollars into conservation operations that aren't there right now. And they would not be taxpayer dollars in this case.

Mr. BOYD. Thank you. May I follow up with one additional question for Chief Reed?

Mr. BONILLA. Go right ahead, Mr. Boyd.

FLORIDA FARM FOUNDATION

Mr. BOYD. Chief, there is a program that you all have been involved in, and I am not sure which section it is under. However, there has been a collaboration with a group called AFAM which is

part of the Florida Farm Foundation which—you are familiar with that.

Mr. REED. I am.

Mr. BOYD. Would you comment on the effectiveness of that? Also I understand there have been some internal problems in AFAM. How is that affecting your thought process about our involvement in that?

Mr. REED. Mr. Boyd, the details I don't know. But we have Larry Clark, who is our deputy chief of science and technology, leading that effort. If you would like, we can ask him to come up and respond to the question, or we can follow up and provide information for you for the record.

Mr. BOYD. Maybe we can do some of both. It would be great if the Chairman would allow me the time.

Mr. CLARK. Thank you, Mr. Boyd.

The AFAM project is one that we started a year or so ago and has been producing some very innovative approaches to dealing with some of the animal waste issues in Florida and North Carolina. We think there is a great deal of opportunity to continue that effort to partner with others—non-profits—who can carry out this kind of activity.

The problems and issues in the organization have pretty much been resolved, and we are happy to see the cooperative effort continue.

Mr. BOYD. Thank you very much.

Mr. Reed, do you have anything to add?

Mr. REED. No.

Mr. BOYD. Mr. Chairman, if I could ask Secretary Rey to submit for the record the side-by-side comparisons of the House and Senate—your part of those titles.

Mr. REY. What you will find, it is a provision of the summaries side by side.

Mr. BOYD. No recommendations?

Mr. REY. No.

[The information follows:]

Comparison of Conservation Title for Senate and House Farm Bill (Feb 27, 2002)

TOPIC	Sec in Senate Bill [& Law]	S.1731 – Senate Bill *Engrossed bill as passed by the Senate 02/13/02)*	Sec in House Bill [& Law]	H.R. 2646 – House Bill *Engrossed Bill as passed the House10/5/2001*
Conservation Security Program (Provides incentives [*partial market*] for environmental services from working agricultural lands) [Places into structure of 1985 Food Security Act]	Sec. 201 [Sec. 1238 in 1985 Act] [Sec. 1238A]	• Establishes a Conservation Security Program (CSP), beginning in FY 2003 and through FY 2006, to assist and financially recognize owners and operators of agricultural operations for natural resource conservation. • Defines "producer" broadly as owner, operator, landlord, tenant, or sharecropper that shares in the risk of production and is entitled to share in the crop or livestock available for marketing. Adds exclusion of hybrid seed contract in considering whether a grower of hybrid seed is a producer. • Makes private agricultural land (cropland, grassland, prairie, pasture, and range, plus certain forest lands where integrated into the agricultural operation) and land under the jurisdiction of Indian tribes eligible for CSP, except for land in regular CRP, WRP, and land converted to cropland after the date of enactment. • Uses conservation security plans and contracts to provide for resource conservation of the land and payment amounts. Encourages comprehensive examination of opportunities to conserve natural resources and improve profitability. • Allows for state and local conservation priorities in development of conservation security plans. • Establishes three (3) tiers of conservation practices that are eligible for payments under conservation security contracts. • Allows for on-farm research and demonstration in the Tier II or Tier III conservation security plan. • Uses the National Handbook of Conservation Practices and Field Office Technical Guides to determine eligible practices and standards, with adjustments and pilot testing. • Requires the Secretary to establish guidance standards for implementing eligible practices to include measurable goals for enhancing and preventing degradation of resources. • Describes conservation practices for the three tiers and directs that the state conservationist and state technical committee to establish minimum requirements.		*(Does not have a Conservation Security Program. House bill begins with ECARP on page 7 below)*

TOPIC	Sec in Senate Bill [& Law]	S.1731 -- Senate Bill *Engrossed bill as passed by the Senate 02/13/02)*	Sec in House Bill [& Law]	H.R. 2646 – House Bill *Engrossed Bill as passed the House10/5/2001*
		• Tier I conservation security plan would: o Address at least 1 resource concern for the operation; be applied to the total operation or unit of the operation; cover both existing and new practices. o List Tier I practices [mainly land management practices that can be applied with similar cropping as in past]. o Allow Tier II practices in Tier I plans. • Tier II conservation security plan would: o Address at least 1 resource concern for total agricultural operation; cover both existing and new practices that meet applicable standards. o List Tier II practices [includes Tier I as well as Tier II practices, such as buffers] o Include land use adjustment or protection practices like crop rotations and less intensive uses. • Tier III conservation security plans would: o Address all applicable resource concerns for total agricultural operation; cover both existing and new practices that meet applicable standards. o Specify that practices shall meet RMS criteria. o Require a full complement of conservation practices to foster environmental enhancement and sustainability, as well as improve profitability and quality of life. • Specifies terms as 5 years for Tier I and 5 to 10 years for Tier II and Tier III conservation security contracts. • Allows for contract renewal, with a requirement for improved conservation treatment on land previously enrolled in a Tier I contract as a condition for renewal. • Establishes duties for producers that must be agreed to under the terms of the contract, and provides certain authority to the Secretary for cases of violation. • Establishes payment system for conservation security contracts to include both an advance payment and an annual payment. • Provides for an advance payment at the time of entering a		
	Sec 1238B Sec 1238C			

TOPIC	Sec in Senate Bill [& Law]	S.1731 – Senate Bill *Engrossed bill as passed by the Senate 02/13/02)*	Sec in House Bill [& Law]	H.R. 2646 – House Bill *Engrossed Bill as passed the House10/5/2001*
		conservation security contract not to exceed greater of: o $1,000 or 20 % of annual payment for Tier I contract o $2,000 or 20 % of annual payment for Tier II contract o $3,000 or 20 % of annual payment for Tier III contract • Establishes an annual payment comprised of a base rate (average county rental rate for the specific land use during 2001 crop year) plus a practice cost component (using average county costs for practices for 2001 crop year) and a maintenance allowance, plus bonus component (based on the extent of resource concerns beyond local concerns included in the plan, watershed participation, an allowance for beginning farmers, participation in on-farm projects) and a further bonus for beginning farmers. • Establishes a base rate of 6 percent, 11 percent, and 20 percent for tiers I, II, and III respectively. • Provides, for each tier, the cost component includes 100 percent of the adoption and maintenance for newly applied management practices, 100 percent of the maintenance of existing land-based structural practices, and 75 percent of the cost of applying new land-based structural practices, with an allowance to increase the latter to 90 percent for a limited resource for beginning farmer or rancher. • Excludes from payment any amount for purchase or maintenance of equipment or a non-land based structure. • Provides ceilings (caps) for payment amounts at $20,000 for Tier I, $35,000 for Tier II, and $50,000 for Tier III conservation security contracts. • Specifies that the non-bonus payment amount not exceed 75 % of the payment limits for the applicable tier. • Requires that the payment limits reflect non-easement payment amounts from all conservation programs for the same land. • Specifies that any non-USDA payments not be considered within the payment limitations above. • Prohibits a CSP payment for construction or maintenance of animal waste storage or treatment facility and related transport devices for animal feeding operations.		

TOPIC	Sec in Senate Bill [& Law]	S.1731 – Senate Bill *Engrossed bill as passed by the Senate 02/13/02)*	Sec in House Bill [& Law]	H.R. 2646 – House Bill *Engrossed Bill as passed the House10/5/2001*
	Sec 202 in Sec 1241.	• Requires a CSP payment to be for adoption of conservation practices that exceed minimum requirements for HEL or wetlands. • Directs the Secretary to provide technical assistance to owners and operators for CSP in an amount not to exceed 20 percent of funds expended for the fiscal year. • Authorizes, in October 2004, a pilot program in one state to demonstrate and evaluate CSP, with a state selected in consultation with the Agriculture committees of the House and Senate and meeting certain criteria. • Provides funding from CCC in "such sums as are necessary to carry out" CSP, including technical assistance.		
Partnerships and Cooperation (Special Projects) (Provides enhanced flexibility and incentives for cooperative, targeted program to address conservation needs)	Sec. 203 [Places in Sec. 1243 of the 1985 Act]	• Authorizes the Secretary, as recommended by State Conservationists with advice from State Technical Committees, to designate special projects in carrying out any program under subtitle D *(the umbrella named Agricultural Conservation Resources Program – includes CRP, WRP, EQIP, and CSP, as well as the non-operational EEP. Also includes new programs created under the bill, including FPP, GRP, WHIP, CPG, and related measures).* • Enhances technical and financial assistance to producers to address environmental issues for purposes of the Clean Water, Safe Drinking Water, and Clean Air Acts (or comparable state laws), or to address watersheds of special significance, CRP conservation priority areas, or other geographic areas of environmental sensitivity, including ground and surface water conservation and T&E species habitat, such as conservation corridors, irrigation improvements, and reduction of nutrient loads in watersheds. • Provides incentives to encourage partnerships, attain enrollments of exceptional environmental value, and sharing of technical and financial resources.		*(Not included in House Bill.)*

TOPIC	Sec in Senate Bill [& Law]	S.1731 – Senate Bill *Engrossed bill as passed by the Senate 02/13/02)*	Sec in House Bill [& Law]	H.R. 2646 – House Bill *Engrossed Bill as passed the House10/5/2001*
		• Allows flexibility in adjusting eligibility criteria, approved practices, and certain other elements of conservation programs to achieve the environmental goals. • Uses special project or priority area program plans to describe adjustments, analysis, timetable, non-Federal participation, and monitoring activities to achieve the intended purpose. • Provides for 5 % of EQIP funding [for use in the special projects program] • Allows for any unused funding by April 1 of a fiscal year to be available for other EQIP activities during the fiscal year.		
Administrative Requirements for Conservation Programs (Provisions cover all Subtitle D programs)	Sec. 204 [Adds new Sec. 1244 in 1985 Act]	• Provides relief for "good faith" actions taken by a producer that are in violation of a conservation program contract administered by the Secretary. *[Replaces Sec 1230A in 1985 structure]* • Directs the Secretary to provide education, outreach, technical assistance, monitoring, evaluation, and related services to producers that are socially disadvantaged, beginning farmers and ranchers, Indian Tribes and of limited resource in carrying out any USDA conservation program. Allows Secretary to enter into contracts with entities to provide services. Provides funds, as necessary, from the CCC to support effort. • Authorizes incentives to beginning farmers and ranchers and Indian tribes for participation in conservation programs • Requires maintenance of data concerning conservation program plans and implementation activities to enable program evaluations. • Allows for mediation and informal hearings for owners and operators with respect to adverse decisions under a USDA conservation program. • Provides for conservation technical assistance by certified parties for conservation planning, practice design, installation, and certification, and training for producers. • Authorizes the Secretary to provide a payment to an owner or operator to obtain technical assistance from a certified provider if the payment increases the total amount of		

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		assistance available to producers. • Requires the certification program to be equivalent to other national professional certification programs • Establishes procedures for certification and payment of a fee to the Secretary in exchange for certification. • Authorizes the fees to be used in conservation programs without further appropriation. • Establishes a technical assistance advisory council to advise the Secretary regarding the management of third party certification programs. • Provides for confidentiality of personal information relating to USDA conservation programs and operators and of NRI sample point locations and site-specific information. • Requires the Secretary to insure that Indian tribes are treated in a fair and equitable manner under conservation programs		
Reform and Assessment of Conservation Programs	Sec 205	• Requires Secretary to undertake a review and assessment of USDA conservation programs and, within 180 days after the date of enactment, report to the House and Senate Agriculture Committees with a plan for coordination of USDA conservation programs and any recommendations for implementation, including regional distribution of conservation costs and the highest national conservation priorities. • Requires the Secretary to include in the review, improvements to conservation delivery on Indian tribal lands. • Requires the Secretary to submit to the Senate and House Agriculture Committees, within 180 days, a plan and estimated budget for implementing the appraisal of soil, water, and related resource as contained in the National Conservation Program developed under the Resources Conservation Act (RCA), in managing conservation on agricultural land. • Requires a report by the Secretary, no later than April 30, 2005 that provides a status on implementation of the plan developed under the Resources Conservation Act and that		*No directly comparable provision in the bill*

TOPIC	Sec in Senate Bill [& Law]	S.1731 – Senate Bill *Engrossed bill as passed by the Senate 02/13/02)*	Sec in House Bill [& Law]	H.R. 2646 – House Bill *Engrossed Bill as passed the House10/5/2001*
		makes recommendations for achieving specific program improvements. • Requires revision and establishment of conservation practice standards to include measurable goals for enhancing natural resources, including innovative practices. • Requires updating of NHCP and FOTG within 180 days after enactment and at least once every 5 years thereafter.		
Regulations	Sec 206	• Authorizes the Secretary to promulgate regulations and carry out other actions to implement the CSP.		*Not in House bill*
Conforming Amendments	Sec 207	• Revises ECARP to be CCEP (Comprehensive Conservation Enhancement Program)		
Environmental Conservation Acreage Reserve Program (Umbrella covering EQIP, WRP, and CRP)	Sec 211	• Extends CCEP (formerly ECARP) through calendar 2006 and expands it to include the Grassland Reserve, WHIP, and conservation of private grazing lands program. • Gives priority for designation of conservation priority areas to ongoing areas that can be completed rapidly through CRP. • Extends mandatory funding for CCEP from CCC through 2006. • Explicitly includes provision of funding technical assistance from CCC for CCEP.	Sec 201 [Sec 1230 of 1985 Act]	• Extends ECARP through 2011 • Deletes conservation priority areas from ECARP • Broadens the "good faith" provision from the chapter to all of Title XII
Conservation Reserve Program (CRP) (Long term retirement of environmentally sensitive croplands for conservation purposes)	Sec. 212	• Reauthorizes CRP through 2006. • Revises eligible cropland and establishes cropping history based on 3 of 6 yrs prior to this Act • Makes residual portion of fields, in which greater than 50% is enrolled as buffers, eligible for enrollment as buffers. • Expands eligibility to "lands" rather than "croplands" for certain continuous signup practices. • Establishes priority for CPA's that can be completed rapidly *(similar to ECARP language)* • Increases acreage cap to 40 million acres. (Note: Section 212 actually increases enrollment cap to 41.1 million acres. However, section 215 amends this enrollment cap to 40 million acres.) • Allows contract extensions of not more than 15 years on contracts for land devoted to hardwood trees, with 50% payment reduction.	Sec. 211 Sec. 212 [Sec. 1231 of 1985 Act] [Sec. 1232]	• Reauthorizes CRP through 2011 • Adds wildlife as purpose of CRP • Includes marginal pasturelands in natural vegetation as eligible • Broadens eligible lands to address soil, water, and air quality, and lands that cannot meet soil, water, and air quality objectives under EQIP. • Adds conservation of ground and surface waters as basis for land eligibility • Prohibits enrollment of any land unless it has been enrolled in production for at least 4 years, unless it is already enrolled. • Increases acreage cap to 39.2 million acres • Grandfathers CRP lands as eligible to compete for reenrollment upon contract expiration • Requires balance of soil erosion, water quality, and wildlife habitat in determining acceptability of offers

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		• Converts farmable wetlands from a pilot program to be a national program through calendar 2006. • Includes irrigated land, for enrollment in buffers and CREP at irrigated land rates unless other compensation is appropriate. • Allows native prairie grass in lieu of trees on marginal pasture land. • Requires a payment reduction if the land is used for haying or grazing or wind turbines. • Bars owner/operator from producing an agricultural commodity on any other highly erodible land unless the land has a history of being cropped or is a homestead at the time of purchase. • Specifies conditions for haying and grazing, including state technical committee role for these conditions. • Authorizes owner/operator to install wind turbines on CRP land other than continuous signup acres and authorizes the Secretary to specify other conditions. • Provides for signing and practice incentive payments for certain continuous signup practices and practices under CREP. • Excludes continuous signup and CREP from 25 percent acreage limit for a county. • Requires a study of economic and social effects of CRP on rural communities, with the report to Congress within 270 days from enactment. • Adds authority under CREP to enroll up to 500,000 acres for water conservation purposes. Producers can voluntarily sell or lease water rights to states. Applies only to NV, CA, NM, WA, OR, ME, and NH.	Sec. 214 Sec. 215 [Sec. 1231]	• Includes "practical" and "maintaining existing cover" in vegetative or water cover on contracted lands • Allows managed grazing or haying and harvesting of biomass with payment reduction. Allows wind turbines on land enrolled in CRP. • Strikes 1/8 requirement for trees and removes alley cropping • Changes rental payment to be conservation reserve payment. • Extends the farmable wetlands pilot to be available to all states, while retaining the 150,000 acre ceiling on any one state.
Environmental Quality Incentives Program (Incentives and assistance for environmentally	Sec. 213 Sec. 1240 of 1985 Act]	• Rewrites EQIP authority to promote compatibility of agriculture production and environmental quality, and to maximize environmental benefits per dollar expended. • Explicitly refers to assisting producers in complying with Title XII requirements, the Clean Water Act, Safe Drinking Water Act, Clean Air Act, and other environmental statutes.	Sec. 231 [Sec. 1240]	• Removes reference to program consolidation and "maximizing environmental benefits per dollar" in purpose • Changes focus from environmental threats to environmental needs. Adds improvement in air quality as purpose. • *In Title IX, under miscellaneous provisions, further amends purposes of EQIP:* Adds assistance to farmers and ranchers for assessment and

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sound management practices and infrastructure investments such as animal waste management systems)	[Sec. 1240A]	• Adds facilitating partnerships and avoiding, to the extent practicable, regulatory programs to current purposes. • Defines beginning farmer or rancher by linking to Sec. 343 of Farm and Rural Development Act • Defines comprehensive nutrient management and identifies elements, including manure processing, composting, and digestion for capturing emissions, concentrating nutrients, and destroying pathogens. • Requires CNMP's for large confined livestock operation (as defined by the Secretary) to include all necessary and essential land treatment practices as determined by the Secretary. • Includes private non-industrial forestland and grassland to the definition of agricultural land. • Defines innovative technology to include maximizing benefits, complementing agricultural production, and practical implementation. • Defines managed grazing to involve rotational grazing for plant health, limiting soil erosion, water quality, and wildlife benefits. • Defines maximizing environmental benefits per dollar expended and clarifies that it does not mean least cost practice or technical assistance. • Defines "producer" broadly as owner, operator, landlord, tenant, or sharecropper that shares in risk and crop or livestock available for marketing. Adds exclusion of hybrid seed contract in consideration of whether a grower is a producer.	Sec. 232 [Sec. 1240A] Sec. 233 [Sec. 1240B] Sec 234 Sec 235 Sec 236 Sec. 237 [Sec. 1240G]	development of on-farm renewable resources, including biomass for the production of power and fuels, wind, and solar. • Adds non-industrial private forest land as eligible • Reauthorizes EQIP through 2011 • Sets floor for contract term as one year. • Changes offer selection from maximizing environmental benefits to be based solely on purposes of program. • Removes limitation on large livestock operations from cost sharing for constructing an animal waste management facility • Revises language for incentive payments to emphasize multiple land management practices. Gives special weight to residue, nutrient, pest, invasive species, and air quality management practices. • Strikes priority areas, leveraging with state and local governments, and reference to maximizing environmental benefits. • Places emphasis for EQIP on aiding producers address environmental requirements and conservation, soil amendments, and sustainable grazing. • Removes conservation technical requirements from plan required for EQIP contract and substitutes reference to submitting a plan that provides benefits to air, soil, water, and related resources. • Removes incentive payments from the assistance provided by the Secretary. • Increases payment limits to $50,000 per fiscal year or $200,000 for any multiyear contract. *(Current law is $10,000 per year or $50,000 per multiyear contract)*
	[Sec. 1240B]	• Reauthorizes EQIP through fiscal year 2006 and mandates providing technical assistance, cost sharing payments, and incentive payments to producers that enter into EQIP contracts. • Adds CNMP as eligible for EQIP assistance • Adds authority to provide conservation education to producers • Reduces minimum length of contract to 3 years (retains 10 yr maximum length)	Sec. 238 [Sec. 1240H]	• Removes consistency with maximizing environmental benefits as test for exceeding payment limits. • Removes the current legal requirement to delay payments under a new contract until the fiscal year following signing of the contract. • Creates a program of cost sharing and low interest loans for ground and surface water conservation within EQIP • Mandates funding from CCC for the ground and surface water conservation program in following amounts:

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	[Sec. 1240C]	• Prohibits a producer from more than one EQIP contract for structural practices involving livestock nutrient management during FY 2002 through FY 2006 • Directs the Secretary to establish an application and evaluation process that maximizes environmental benefits per dollar expended. • Eliminates buy down process in evaluating contracts for funding. • Provides for cost sharing payments to be not more than 75 percent of projected practice cost. • *Through omission in this rewrite of Sec. 1240B, it removes the prohibition on cost-sharing with operators of large animal feeding operations for construction of an animal waste management facility* • Allows a cost-share rate up to 90% for limited resource and beginning producers. • Allows any non-Federal cost share payments to be in addition to EQIP assistance. • Precludes double payment for the same practice on the same land from CRP and EQIP. • Authorizes incentive payments, as determined by the Secretary, to encourage performance of practices. • Provides for full cost of technical assistance to producers. • Provides for incentive payments to producers for obtaining technical assistance for developing components of a comprehensive nutrient management plan from a certified private provider, and allows an advance and final payment to a producer to procure the service. • Directs that higher priority be given to EQIP offers that o Maximize environmental benefits per dollar o Address national conservation priorities (see below) o Are in conservation priority areas o Are in special projects identified above o Include innovative technology • Identifies as national priorities for EQIP the following: meeting Fed, state, and local environmental purposes, comprehensive nutrient management, water quality		o FY 2002 – $30 million o FY 2003 – $45 million o FY 2004 through FY 2011 -- $60 million for each year.

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		(particularly in impaired watersheds), soil erosion, air quality, and pesticide and herbicide management.		
	[Sec. 1240D]	• Specifies the duties of producers to receive technical assistance, cost-share payments, and incentive payments.		
	[Sec. 1240E]	• Requires the producer to submit an EQIP plan of operations to qualify for assistance.		
	[Sec. 1240F]	• Provides for assistance to a producer to meet conservation goals through technical, financial, and educational assistance, and encourages a producer to obtain assistance from other Federal, State, local, or private sources.		
	[Sec. 1240G]	• Increases payment limitation, for cost-share and incentives, to $30,000 per fiscal year or :$90,000-3year contracts, $120,000-4 year contracts, $150,000 for contracts >4 years. • Closes loopholes for payment limits. • Authorizes use of social security and taxpayer ID numbers to verify eligibility for payments. • *Through this rewrite, removes the requirement to delay participant from receiving payments the first year of a contract.*		
	[Sec 1240H]	**Conservation Innovation Grant Program** • Establishes, within EQIP, a competitive **conservation innovation grants** program of $100 million annually, with 50% matching fund requirements from non-Federal sources. • Provides grants to implement innovative projects, such as, market-based pollution credit trading, adoption of BMP's, storage of carbon in the soil, protection of source drinking waters, and nutrient reduction impacts on watersheds. • Allows for funds not obligated by April 1 of each year to be used for other EQIP activities.		
	[Sec. 1240I]	**Southern High-Plains Aquifer Groundwater Conservation** • Includes, within EQIP, a groundwater conservation initiative targeted to the Southern High Plains Aquifer. • Provides cost share payments, incentive payments, and groundwater education assistance to producers in the targeted area, but limits payments to producers only if		

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	[Sec. 1240J]	conservation measures result in net savings in groundwater resources on the land of the producer. • Directs USDA to cooperate with states, land grant and educational institutions, and private organizations. • Provides funding of $100 million (from EQIP) from FY 2003 through FY 2006 ramping from $15 million in FY 2003 to $35 million in FY 2006. Explicitly reduces funding to zero for FY 2007. • Provides that funds not obligated by April 1 shall be used for other activities under EQIP. **Pilot Programs** • Authorizes the Secretary carry out a program to improve water quality in partnership with drinking water utilities. • Directs the Secretary to carry out a nutrient reduction pilot program, within EQIP, in the Chesapeake Bay watershed to significantly reduce nutrient application rates. • Directs use of EQIP funds for the Chesapeake Bay watershed in the following amounts: o FY 2003 -- $10 million o FY 2004 -- $15 million o FY 2005 -- $20 million o FY 2006 -- $25 million o FY 2007 -- $0 • Provides that funds not obligated by April 1 shall be used for other activities under EQIP. • Directs that the Secretary consider the consistency of fund applications with locally developed watershed plans and the factors in 1240C		
	[Sec 1240Q]	• Grassroots Source Water Protection Program Directs the Secretary to establish a national grassroots water protection program to use onsite technical assistance capabilities of State rural water associations to operate a wellhead or groundwater protection program in the State • Authorizes $5 million annually for FY 2002-FY 2006		
Funding and Administration	Sec. 213 (cont'd)	• Specifies, that to carry out EQIP, CCC funding will be used for technical assistance, cost share payments, incentive payments, bonus payments, grants, and education.	Sec. 241 [Sec. 1241]	• Reauthorizes mandatory funding from CCC to carry out CRP, WRP, and EQIP through 2011. • Sets mandatory funding for technical assistance, cost sharing

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	[Sec. 1241 of 1985 Act]	• Subject to the regional equity provisions in Sec. 241, provides CCC funding for EQIP, to remain available until expended, in the following amounts: o FY 2002 -- $500 million o FY 2003 -- $1.3 billion o FY 2004 -- $1.45 billion o FY 2005 -- $1.45 billion o FY 2006 -- $1.5 billion o FY 2007 -- $850 million • *Through this rewrite, eliminates the minimum 50 percent of EQIP funding for livestock related practices* • Removes technical assistance from CCC Section 11 cap.	Sec. 242 [Sec. 1241] Sec. 243 [Sec. 1241] Sec. 244 [Sec. 1243]	payments, incentive payments, and educational assistance through EQIP at $200 million for FY2001 and then the following amounts: o $1,025 million for each of FY 2002 and 2003 o $1,200 million for each of FY 2004, 2005, and 2006 o $1,400 million for each of FY 2007, 2008, and 2009 o $1,500 million for each of FY 2010 and 2011 • Continues the requirements for targeting 50 percent of EQIP funding to livestock related conservation practices. • Removes the basis for exception to the 25% limit for CRP and WRP land in a county that had difficulty in complying with an HEL plan. • Mandates technical assistance for producers, but changes language to allow a producer an option to use a third party, if available, otherwise from USDA • Requires the Secretary to reevaluate the amount and provision of technical assistance for CRP, WRP, and EQIP • Requires the Secretary to establish third party certification process for EQIP. Grandfathers certification for any person that has a MOU with the Secretary for providing TA • Requires a regulation in 6 months for defining eligibility requirements for certification. • Includes title XII programs in listing of legal provisions covered by confidentiality requirements of 7 U.S.C. 2276
Wetland Reserve Program (Restores and protects wetlands through easements and long term restoration agreements)	Sec. 214 [Sec. 1237 of the 1985 Act]	• Explicitly adds technical assistance to WRP • Revises the total acreage cap to be 2,225,000 acres. • Requires, to the maximum extent practical, enrollment of 250,000 acres per calendar year. • Extends program authorization through calendar 2006. • Includes authority for a wetlands reserve enhancement program through agreements with state or local governments and with private organizations. • Caps enhancement program to 25,000 acres in any year. • Explicitly adds monitoring and maintenance to the assistance provided to owners to help comply with conditions of the easement and the plan.		• Authorizes WRP enrollment of 150,000 acres per year to 2011, and uses formula to authorize enrollment of any shortfall in acreage during subsequent years. • Removes 1/3, 1/3, 1/3 requirement and authorizes both easements and restoration cost share agreements. • Extends WRP authorization to 2011 • Removes prohibition on spraying or mowing on WRP lands, limits on adjacent lands, and Secretarial prerogative to limit other practices that tend to defeat purposes of the subchapter. • Removes the explicit terms for easements and simply requires consistency with state law. • Strikes provision on restoration cost share agreements that requires restoration of wetlands.

TOPIC	Sec in Senate Bill [& Law]	S.1731 – Senate Bill *Engrossed bill as passed by the Senate 02/13/02)*	Sec in House Bill [& Law]	H.R. 2646 – House Bill *Engrossed Bill as passed the House10/5/2001*
				• Deletes priority for migratory birds and other wildlife in obtaining permanent easements and related consultation with Sec. of Interior • Removes January 1, 1990 date for ownership changes and substitutes provision on foreclosure and the right of redemption from the mortgage holder in accordance with state law.
Water Conservation Program	Sec. 215 [Sec. 1240R through 1240 Z]	• Amends section 212(a) by reducing CRP enrollment cap from 41.1 million acres to 40 million acres and by authorizing 500,000, under CREP, for water conservation purposes. (See section 212) • Establishes a new Water Benefits Program, administered by NRCS, to provide cost share for measures that: improve irrigation efficiency; provide instream fish and wildlife and other environmental benefits, allow for converting to less water intensive crops; provide for the lease, purchase, or transfer of water rights within state water laws. (Note: To be eligible for cost-sharing at least 75% of the water conserved by the water conservation measures must be permanently allocated to instream flow or uses. If landowner assumes more than 50% of the cost of the measure they retain the right to 50% of water savings.) • Establishes within ARS, in collaboration with USGS, a water quality monitoring program with funding limited to a total of $5 million • Requires states to submit a program for approval of the Secretary that improves instream flows, is consistent with existing state water laws, and is limited to 3% of the available funds for administration • Provides for the total cost of federal technical and administrative expenses are as necessary without caps. • Provides CCC funding as follows: • $25,000,000 in FY2002; $52,000,000 in FY2003; $100,000,000 annually in FY2004-FY2006 Applies only to NV, CA, NM, OR, WA, ME, and NH		*Does not have a comparable provision. However, see Sec. 238 under EQIP for surface and ground water conservation program.*
RC&D Assists local	Sec. 216	• Provides permanent authorization for RC&D program. • Provides for certain RC&D revisions including recognition	Sec. 254	• Provides permanent authorization for RC&D program • Provides for certain RC&D revisions including recognition of

TOPIC	Sec in Senate Bill [& Law]	S.1731 – Senate Bill *Engrossed bill as passed by the Senate 02/13/02)*	Sec in House Bill [& Law]	H.R. 2646 – House Bill *Engrossed Bill as passed the House10/5/2001*
people promote resource development in designated areas		of councils, use of others, number of members on the policy advisory board, and certain changes concerning nonprofit status under the Internal Revenue Code. • Authorizes appropriations as necessary to carry out RC&D.		councils, use of others, number of members on the policy advisory board, and certain changes concerning nonprofit status under the Internal Revenue Code. • Authorizes appropriations as necessary to carry out RC&D.
Wildlife Habitat Incentives Program (Cost sharing assistance for developing wildlife habitat on private lands)	Sec.217 [Sec. 1240M]	• Reauthorizes WHIP as a permanent program and places it under Chapter 5, Title XII of the 1985 Food Sec. Act. • Defines threatened and endangered species by reference to the Endangered Species Act and defines "sensitive species" as candidate species for listing as threatened if conservation actions are not taken. • Mandates establishment of the wildlife habitat incentives program in consultation with state technical committees. • Authorizes use of cost sharing and technical assistance to develop and enhance wildlife habitat. • Directs that at least 15 percent of funds be used for cost share payments to carry out activities that focus on endangered, threatened, and sensitive species. • Establishes a pilot program to acquire and enroll land for periods of at least 15 years to protect and restore essential plant and animal habitat. • Authorizes up to 15 percent of WHIP funds for the pilot program. • Authorizes USDA, after consultation with state wildlife officials, to provide grants to individuals and nonprofit organizations that lease public lands. • Authorizes grant funds to be used on public lands if the purpose benefits private lands. • Mandates CCC funds for the program (including technical assistance) as follows: o FY 2002 -- $50 million o FY 2003 -- $225 million o FY 2004 -- $275 million o FY 2005 -- $325 million o FY 2006 -- $355 million o FY 2007 -- $50 million	Sec. 252 [Leaves WHIP in Sec. 387 of 1996 Act]	• Funds WHIP from CCC in following amounts: o FY 2002 -- $25 million o FY 2003 -- $30 million o FY 2004 -- $30 million o FY 2005 -- $35 million o FY 2006 -- $35 million o FY 2007 -- $40 million o FY 2008 -- $45 million o FY 2009 -- $45 million o FY 2010 -- $50 million o FY 2011 -- $50 million

TOPIC	Sec in Senate Bill [& Law]	S.1731 – Senate Bill *Engrossed bill as passed by the Senate 02/13/02)*	Sec in House Bill [& Law]	H.R. 2646 – House Bill *Engrossed Bill as passed the House10/5/2001*
Watershed Risk Reduction	Sec. 217 con't [Sec 1240N]	• Establishes a Watershed Risk Reduction Program, under Chapter 5 of Title XII of the 1985 Food Security Act, to safeguard lives and property from flood, drought, and sudden impairment of a watershed due to fire, flood, or other natural occurrence. Administration of the program is through NRCS. • Allows purchase of floodplain easements for runoff retardations and soil erosion prevention. • Gives priority to projects on floodplains adjacent to major rivers. • Bars duplicate funds from USDA disaster relief programs. • Authorizes appropriation of $15 million for each of FY 2002 – FY 2006.		*Does not have a comparable provision*
Great Lakes Basin Soil Erosion and Sediment Control Program	Sec. 217 con't [Sec. 1240O]	• Authorizes the Secretary, under Chapter 5 of Title XII of the 1985 Food Security Act, to carry out a Great Lakes Basin Program for Soil Erosion and Sediment Control, in consultation with the Great Lakes Basin Commission and in cooperation with EPA and the Secretary of the Army. • Authorizes assistance through project demonstration grants, technical assistance, and information and education activities for water quality. • Authorizes appropriation of $5 million for each of FY 2002 – FY 2006.		*Does not have a comparable provision*
Conservation of Private Grazing Lands (Technical assistance for grazing lands)	Sec. 217 con't [Sec 1240P]	• Rewrites the conservation of private grazing lands section from the 1996 FAIR Act, places it into Chapter 5 of the 1985 Food Security Act, and repeals section of the 1996 Act. • Authorizes appropriation of $60 million for each of fiscal years 2002 through 2006.	Sec. 251 [Leaves in Sec. 386 of 1996 Act]	• Adds sustainable grazing systems
Water Protection Program	Sec 1240Q	• Establishes a national grassroots water protection program to more effectively use onsite technical assistance capabilities of each State rural water association • Authorizes $5 million each fiscal year 2002-2006.		*Does not have a comparable provision*
Farmland Protection Program	Sec. 218	• Establishes a Farmland Protection Program as Subchapter B within Chapter 2 of Title XII of 1985 Food Security Act. • Defines eligible land as prime and unique or other	Sec. 253	• Removes acreage limits of 1996 farm bill • Adds agricultural land with historic and archaeological resources

TOPIC	Sec in Senate Bill [& Law]	S.1731 – Senate Bill *Engrossed bill as passed by the Senate 02/13/02)*	Sec in House Bill [& Law]	H.R. 2646 – House Bill *Engrossed Bill as passed the House10/5/2001*
(Matching grants to qualified entities for buying easements for farmland protection)	[Sec. 1238H] [Sec. 1238I] [Sec. 1238J] [Sec. 1241 of 1985 text]	productive soils, land with historical or archaeological resources, and farmland subject to a pending offer from state, local, or tribal governments or other eligible organization for farmland protection purposes. • Includes, as eligible land, cropland, rangeland, grassland, and forest land that is part of an agricultural operation. • Mandates establishment of a farmland protection program to purchase conservation easements and other interests in eligible land to limit non-agricultural use of the land. • Requires any highly erodible cropland for which an easement is purchased to be subject to a conservation plan, including conversion of such land to less intensive use. • Creates a market viability program funded at up to $10 million annually to provide matching market development grants and technical assistance to participating farmers and ranchers. • Provides for mandatory CCC funding for program: o $150 million in FY 2002 o $250 million in FY 2003 o $400 million in FY 2004 o $450 million in FY 2005 o $500 million in FY 2006 o $100 million in FY 2007. • Limits the Federal share of cost to be 50 percent. • Includes any organization that qualifies for conservation purposes under the Internal Revenue Code • Limits the non-Federal share of costs provided by a private landowner or in the form of in-kind goods and services to be no more than 25 percent. • Repeals the farmland protection provision of the 1996 Act.	[Leaves FPP in Sec. 388 of 1996 Act]	• Provides funding from CCC at $50 million per year through 2011 • Expands eligible entities, that can hold and enforce easements, to include federally recognized tribes as well as farmland protection boards and land resource councils • Includes, as eligible entities, any organization that qualifies for conservation purposes under the Internal Revenue Code as eligible entities to hold and enforce easements
Grassland Reserve Program	Sec. 219 [Sec. 1238N of the 1985	• Creates a Grassland Reserve Program, to be administered by NRCS, within Chapter 2 of Title XII of the 1985 Food Security Act • Sets minimum enrollment size of 100 contiguous acres west of and 40 acres east of the 98th meridian. *[Language, apparently intended to be minimum size of area enrolled from each willing owner. Could be construed to simply require the Secretary to enroll 100 from west or 40 from east, to satisfy minimum program requirement.]*	Sec. 255 [Sec. 1238]	• Establishes a Grassland Reserve Program as Subchapter D in Chapter 1 *(after CRP and WRP)* within Title XII of the 1985 Food Security Act. • Set enrollment at 2 million acres, with a cap of 1 million acres for restored grasslands and 1 million acres for virgin grasslands • Sets minimum size at 100 acres in west and 50 acres in east with respect to the 98th meridian.

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	Act]	• Establishes an enrollment cap of 2 million acres, and limits to 500,000 acres the enrollment of tracts of native grassland of 40 acres or less located east of the 98th meridian. • Enrollment would be by permanent or 30 year easements, and where required, an allowance for the maximum term allowed under state law for an easement. • Allows enrollment by 30 year rental agreement • Eligible land includes natural grassland (including prairie and shrub/forb lands), land in a historical natural grassland area and areas suitable for animal and plant habitat of significant ecological value, and related incidental lands. • Permits haying, grazing, fire breaks, fire rehab, and fencing. • Prohibits cropping, disturbing the surface of the land, or other provisions as determined by the Secretary.		• Uses 10, 15, and 20 year contracts and 30 year or permanent easements • Limits funding for easements to be one third of total funding. • Requires suspension of any current cropland base and allotment history for the land under any USDA program. • Allows on the enrolled land: o Common grazing practices o Haying and mowing after nesting season for protected birds or those in significant decline o Fire breaks and fences • Prohibits production of agricultural commodity other than hay • Prohibits other activity that would disturb surface • Requires Secretary to establish criteria to rank and evaluate offers, with emphasis on native grass and shrubland, grazing operations, and plant and animal biodiversity • For contracts, annual payments cannot exceed 75 percent of grazing value of land • For easements, payment is market value less grazing value, and can be single payment or annual payments up to 10 years. • Cost share payments of 90 % of costs on virgin grassland and 75% of costs on restored grassland. • Funds the grassland reserve program from CCC amounting to $254 million in the aggregate over the period 2002 to 2011 • Provides for administration of the program through the Farm Services Agency.
	[Sec. 1238O]			
	[Sec. 1238P]	• Provides for rental agreement payments in amounts that equal, to the maximum extent practicable, the 30 year easement payment amount less the grazing value of the land during which the land is encumbered by the easement. Requires an assessment every 5 years to insure payments meet this stipulation. • Provides for cost sharing (not to exceed 75 %) and technical assistance for carrying out practices to restore grassland and shrubland functions and values. • Authorizes use of CCC funds in "such sums ...as are necessary" to carry out the Grassland Reserve Program, including technical assistance.		
	Sec 1238Q.	• Authorizes the Secretary to permit a private conservation or land trust organization or state agency to hold easements		
State Technical Committees (Broadbased	Sec. 220	• Rewrites the State Technical Committee provisions and reaffirms their placement under Title XII of the 1985 Food Security Act. *(This placement and the text tie the advisory*		*Not included in the bill*

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participation in guiding USDA conservation programs at state and local level)	[Sec. 1261 of the 1985 Act] [Sec. 1262]	*role to all Title XII programs)* • Revises membership to explicitly include representation from Land Grant Universities (includes 1890's, etc) and to establish NRCS as chair. • Includes explicit reference to forestry expertise and techniques. • Removes details of wetland and wildlife habitat protection guidelines as STC duty. • Exempts state technical committees from FACA requirements (Federal Advisory Committee Act). • Explicitly recognizes local working groups as subcommittees of the state technical committee.		
Natural Resources Conservation Foundation	Sec. 221	• Authorizes the Foundation to use, license, or transfer the symbols, slogans, and logos of USDA. • Directs that revenue received by the foundation through the use, license, or transfer of the symbols, slogans, and logos of USDA is to be transferred to the Secretary to credit to the conservations operations account of NRCS.	Sec. 262	Repeals establishment of the Foundation *See repeals on page 24*
Subtitle C Organic Farming				
Organic Farming	Sec. 231	• Establishes an organic agricultural research trust fund in the Treasury and transfers $45 million of Fiscal Year 2003 funds from CCC into the trust fund, to remain available until expended. • Provides for funding activities under Sec. 1672B of the 1990 Act (as amended) • Provides for funding the National Organic Research Endowment Institute from the fund. • Requires, in consultation with the National Organic Standards Board, the Secretary to establish the National		*Does not have comparable provision*

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		Organic Research Endowment Institute. • Provides for compensation and travel expenses of members.		
Subtitle D Regional Equity				
Regional Equity	Sec. 241	• Requires the Secretary, to the extent practicable, to ensure that each state receives at least $12 million for purposes consistent with this title. • Specifies that $5 million of the minimum funding shall be used under provisions of EQIP. • Specifies that $7 million of the minimum funding shall be used in accordance with other conservation programs administered by the Secretary. • Allows for funding not obligated by April 1 to be used for other Title XII activities.		*Does not have comparable provision*
Subtitle E Miscellaneous				
Cranberry Acreage Reserve	Sec. 261	• Establishes a program to purchase permanent easements of a wetland or buffer strip adjacent to wetland that is or has a history of being used for cranberry production or is located in an environmentally sensitive area • Authorizes $10 million annually for the program.		*Does not have a comparable provision*
Klamath Basin	Sec. 262	• Establishes the Klamath Basin Interagency Task Force with membership comprised of representatives of NRCS, FSA, and a number of other Federal agencies. • Directs that the Task Force establish a grant program and to use USDA conservation programs and other		*Does not have comparable provision*

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		Federal programs in the Klamath Basin for water conservation and improved agricultural practices, water quality, recovery of endangered species, and maintenance of national wildlife refuges, and certain other purposes. • Mandates $175 million in CCC funds over the 2003 through 2006 fiscal year period to carry out the Klamath program. • From the overall funds, earmarks $15 million for specified Indian tribes in California and $15 million for those tribes in Oregon. • Terminates authority to obligate funds after September 30, 2006.		
Farmland Stewardship Program		*Does not have comparable provision*	Sec. 256 [Sec. 1239]] Sec. 1239B] [Sec. 1239C]	• Establishes a Farmland Stewardship Program as Chapter 2 of Subtitle D within Title XII of the 1985 Food Security Act to tailor and target existing USDA conservation programs to needs and opportunities. *(Takes the place in Title XII of the already repealed Agricultural Water Quality Incentives Program)* • Authorizes Secretary to implement or combine features of WRP, WHIP, FLEP, FPP, and other programs from outside USDA • Directs that funding from existing program authorities support the Farmland Stewardship Program. No reference to additional funding • Authorizes Secretary to use NRCS to carry out FSP • Authorizes technical assistance in accordance with provisions in ECARP *(as amended earlier in the House bill)* • Directs FSP carried out with agreements. • Allows Secretary to waive certain limitations, conditions, and requirements of existing conservation programs in order to achieve an agreement, as long as most conditions are met. • Directs that agreements shall address conservation priorities established by the State or locality in which eligible lands are located. • Directs that, to the maximum extent practicable, Farmland Stewardship Program applications be developed on a watershed basis. • Provides for Secretarial authority to be exercised through partners and partnerships. • Establishes certain conditions on designation to act on behalf of the Secretary.

TOPIC	Sec in Senate Bill [& Law]	S.1731 – Senate Bill *Engrossed bill as passed by the Senate 02/13/02)*	Sec in House Bill [& Law]	H.R. 2646 – House Bill *Engrossed Bill as passed the House10/5/2001*
			[Sec. 1239D]	• Requires an owner or operator of eligible lands to submit an application for participation. • Authorizes a designated contracting agency to submit the application on the behalf of the owner or operator
Small watershed rehabilitation program		*Does not have comparable provision*	Sec. 257	Authorizes $15 million for FY 2002 and each succeeding fiscal year
Project Assistance in New Jersey		*Does not have comparable provision*	Sec. 258	Waives constraint in existing law and mandates NRCS assistance for Rapaupo Creek Tide Gate and Dike restoration project in New Jersey.
Repeals		*Does not have a separate repeals section, but makes certain repeals in the context of the program changes.* Eliminates the Conservation Farm Option Program *(Replaced by new chapter 5 for "Other Conservation Programs")*	Sec. 261 Sec. 262	• Repeals wetland mitigation banking pilot • Repeals provision that CRP payment is additional to other payments • Repeals base history requirements for CRP • Repeals provision that WRP payment is additional to other payments • Repeals the Environmental Easement Program • Repeals the Conservation Farm Option program • Repeals tree planting initiative • Repeals the Natural Resources Conservation Foundation
Privacy of records		*Included as part of Sec. 204 (g) with similar language and shown as bullet above*		*Sec 244 amends Section 1770 of 1990 Farm bill, limited to title XII*
Flood Risk Reduction Program (Buyout of AMTA		*(The bill makes no mention of this unimplemented program, allowing it to sunset)*		*No comparable provision*

Mr. BONILLA. Thank you, Mr. Boyd. I do believe we have one remaining round of questions from Ms. Kaptur based on our informal survey of members. I believe that that will be the final round, Mr. Rey and Mr. Reed. Ms. Kaptur.

PRIVATE LAND CONSERVATION ACTIVITIES

Ms. KAPTUR. Thank you, Mr. Chairman. Mr. Rey, if I were to go into an audience of people who are not trained in your profession, and I were to try to simply explain to them how the jurisdiction you cover is different than the Department of Interior in terms of forestlands as well as land conservation, how would you describe the extent of coverage of the activities over which you have jurisdiction versus the Department of Interior? What about numbers of acreage of forestland, land held in the public domain versus the private domain, conservation programs? How would you give people a sense of the scale of that?

Mr. REY. What I have described to people is that as far as private land conservation activities are concerned, that is the almost exclusive domain of the Department of Agriculture.

There are limited programs of a specific nature, for instance wildlife-related programs, that are administered through Interior. But for broad purposes, if you are talking about private land conservation, the Natural Resources Conservation Service is the government's leader and occupies most of the field in that regard.

With regard to Federal lands, what I have told people is that, generally speaking, the Federal Government manages on behalf of the American citizens roughly a third of our Nation's lands. There are four major land managing agencies that have the responsibility for that estate. Three of them are in the Department of the Interior, one in the Department of Agriculture.

In the Department of the Interior, two of the agencies have specialized holdings, the National Park Service and the Fish and Wildlife Service, which manage the national park system and the national wildlife refuge system.

The third is the Bureau of Land Management which manages what remains, which we call the public domain, which has not been reserved either for the parks, wildlife refuges, or in the case of the Department of Agriculture, the national forest system.

And that is pretty much how we describe it. Each of the agencies has a somewhat different purpose. The purpose of the Bureau of Land Management and the Forest Service are the most closely comparable in the sense that both agencies have a mandate to accommodate a variety of uses as they go about managing the lands to which they are entrusted.

The Park Service and the Fish and Wildlife Service have a somewhat narrower mandate: in the first case, the enhancement of wildlife populations through the management of the refuge system; in the second case, the preservation of America's parks for the enjoyment of the public, not only the American public, but citizens of the world.

PRIVATE VS. PUBLIC LAND TREE COVER

Ms. KAPTUR. If you were to fly over from coast to coast and look at the tree cover in the United States and ask yourself, in the pub-

lic domain, how much of that tree cover is managed by the Forest Service versus the Department of Interior, where is the acreage greater?

Mr. REY. The acreage is by far greater with the Forest Service. The Bureau of Land Management lands tend to be lower elevation, dry grasslands. There are exceptions. I am speaking in broad generalities now. The forests, which were the origin of the national forest system, were created in large part at the turn of the century by taking higher elevation areas with forest cover and removing them from the public domain to place them in forest reserves for, at that time, two primary purposes: to provide for watersheds and water supply stability, to provide for a sustainable supply of fiber resources.

So if you are flying east to west, at the point that you are flying over the eastern forest today, the acreage you are looking at, predominately although not exclusively, is privately owned lands. Once you cross the 100th meridian, you are looking at grasslands. Once you get into the inner mountain area past the front range of the Rocky Mountains, what you see forested is predominately in Forest Service ownership. What you see in grasslands is predominately either private land or Bureau of Land Management public domain land.

And then finally, once you reach the West Coast, you cross the Sierras, the forested acreage that you are seeing is a mix of Forest Service and private land. The unforested acreage is predominately private agricultural lands.

Ms. KAPTUR. And if you were to put it on a percent scale of those—let's talk about the forested or tree-covered lands over which you have jurisdiction. What percent of the total would be within USDA's and Interior's jurisdiction?

Mr. REY. I think it is, roughly speaking, three-quarters Interior, one-quarter USDA; because, by far and away, the Bureau of Land Management owns the largest estate.

Ms. KAPTUR. Okay. All right. I am going to ask you to provide some of those numbers for the record, talking about crop land, grazing land, forestland, and so I can get a clear picture in my mind of the overall breakdown.

[The information follows:]

The Forest Service manages approximately 192 million acres of public land—an area about 110 percent the size of the State of Texas—located in 44 States, Puerto Rico, and the Virgin Islands. These lands are known collectively as the National Forest System (NFS). Approximately 110 million NFS acres are classified as rangeland, although a large portion of these lands are also forested. Of the rangeland acres, 92 million are classified as grazing allotments of which 84 million acres are active allotments. National Grasslands are a separate component and occupy 831,000 acres.

Acreage and Distribution of Broad Land Cover/Use in 1997
(Acres in Thousands)

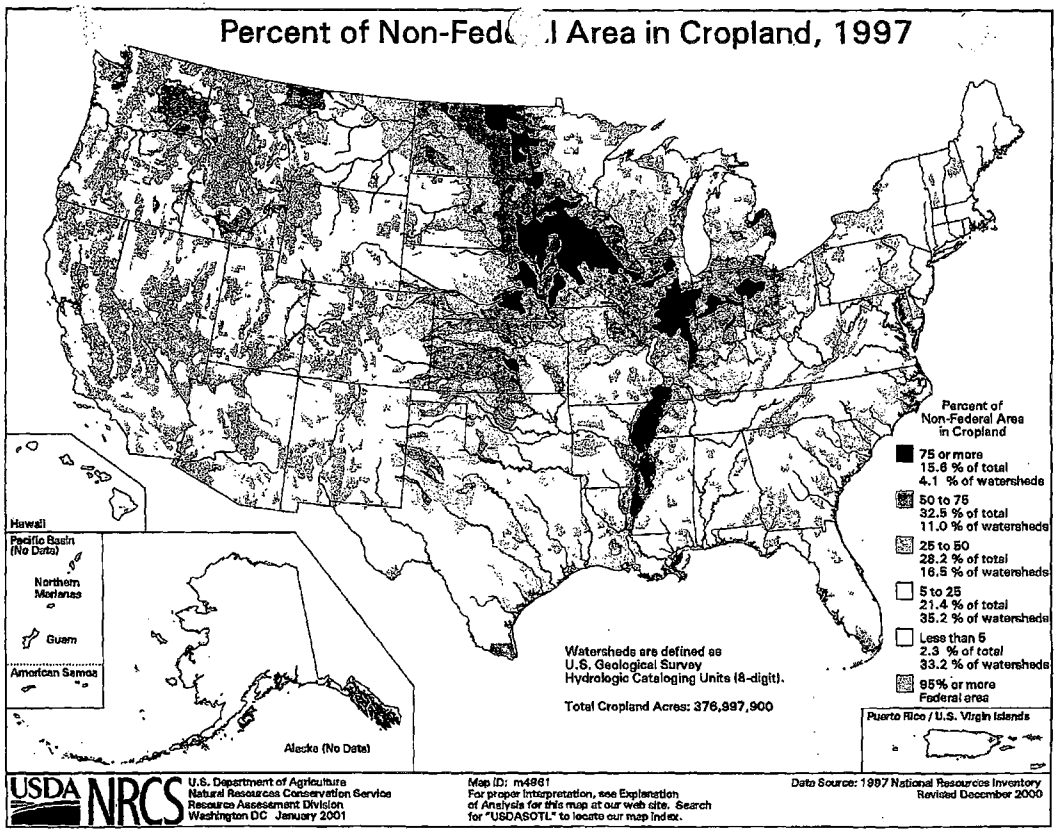
Ownership	Cropland	Pastureland	Rangeland	Forestland	Other Rural Land	Developed Land	Other Land	CRP Land	Total
Private	372,382.4	117,882.4	336,108.8	357,676.5	38,649.4	80,014.6		32,300.6	1,335,014.7
Federal Est.			181,800.8	163,000.0			57,337.3		402,138.1
Other	4,615.5	2,109.5	69,868.4	49,278.7	12,492.1	18,237.1	49,980.2	395.4	206,976.9
Total	376,997.9	119,991.9	587,778.0	569,955.2	51,141.5	98,251.7	107,317.5	32,696.0	1,944,129.7

Table does not include Alaska.
Note: Under Ownership, the variable Other includes Municipal, County/Parish, State, Tribal/Trust, and Water.
***Source: Estimates on Federal Land are based on information obtained from the Forest Service and Bureau of Land Management Web sites. These numbers may not be exact.**

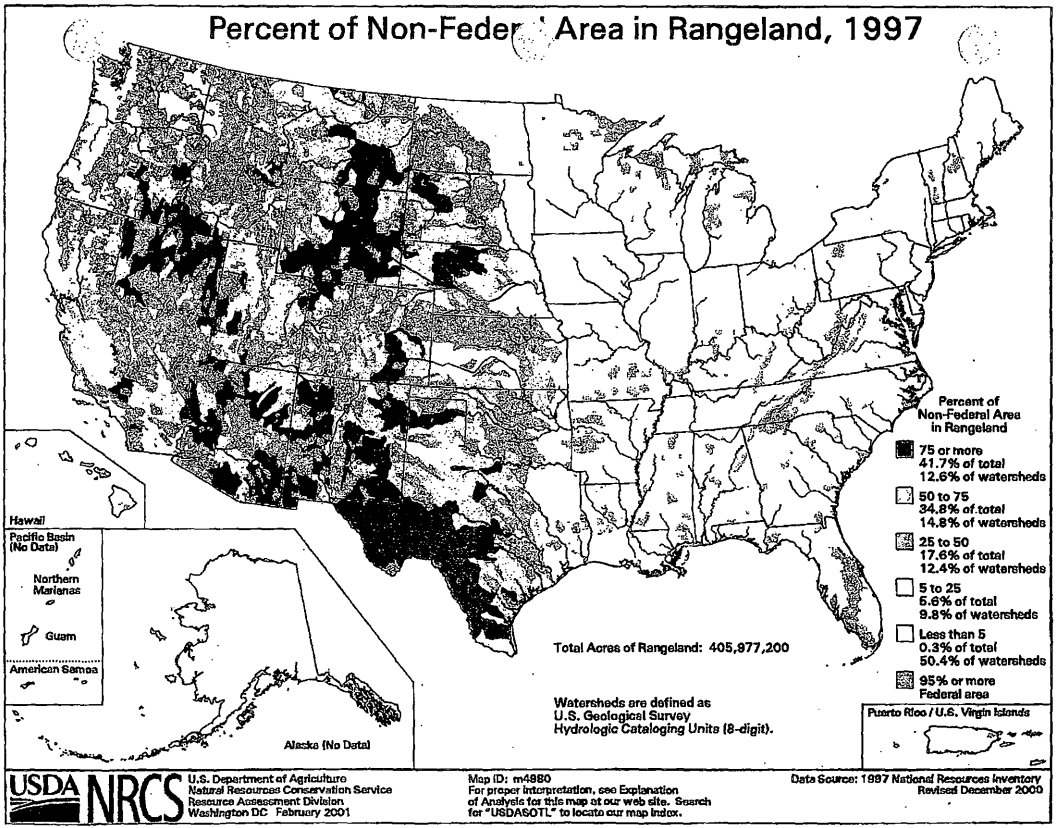
Acres of Non-Federal Forest Land, 1997
95% or more Federal area
Each green dot represents 25,000 acres of Forest Land
Total Non-Federal Forest Land Acres: 406,955,200
Hawaii
Pacific Basin (No Data)
Northern Marianas
Guam
American Samoa
Alaska (No Data)
Puerto Rico / U.S. Virgin Islands
USDA NRCS
U.S. Department of Agriculture
Natural Resources Conservation Service
National Resources Inventory
Washington DC January 2001
Map ID: nr4973
For proper interpretation, see Explanation of Analysis for this map at our web site. Search for "USDANRCS" to locate our map index.
Data Source: 1997 National Resources Inventory
Revised December 2000

Percent of Non-Federal Area in Forest Land, 1997
Percent of Non-Federal Area in Forest Land
75 or more
30.0 % of total
10.3 % of watersheds
50 to 75
40.5 % of total
18.4 % of watersheds
25 to 50
19.5 % of total
14.0 % of watersheds
5 to 25
10.0 % of total
21.2 % of watersheds
Less than 5
1.0 % of total
36.1 % of watersheds
95% or more Federal area
Watersheds are defined as U.S. Geological Survey Hydrologic Cataloging Units (8-digit).
Total Non-Federal Forest Land Acres: 406,955,200
Hawaii
Pacific Basin (No Data)
Northern Marianas
Guam
American Samoa
Alaska (No Data)
Puerto Rico / U.S. Virgin Islands
USDA NRCS
U.S. Department of Agriculture
Natural Resources Conservation Service
Resource Assessment Division
Washington DC January 2001
Map ID: nr4882
For proper interpretation, see Explanation of Analysis for this map at our web site. Search for "USDASOTL" to locate our map index.
Data Source: 1997 National Resources Inventory
Revised December 2000

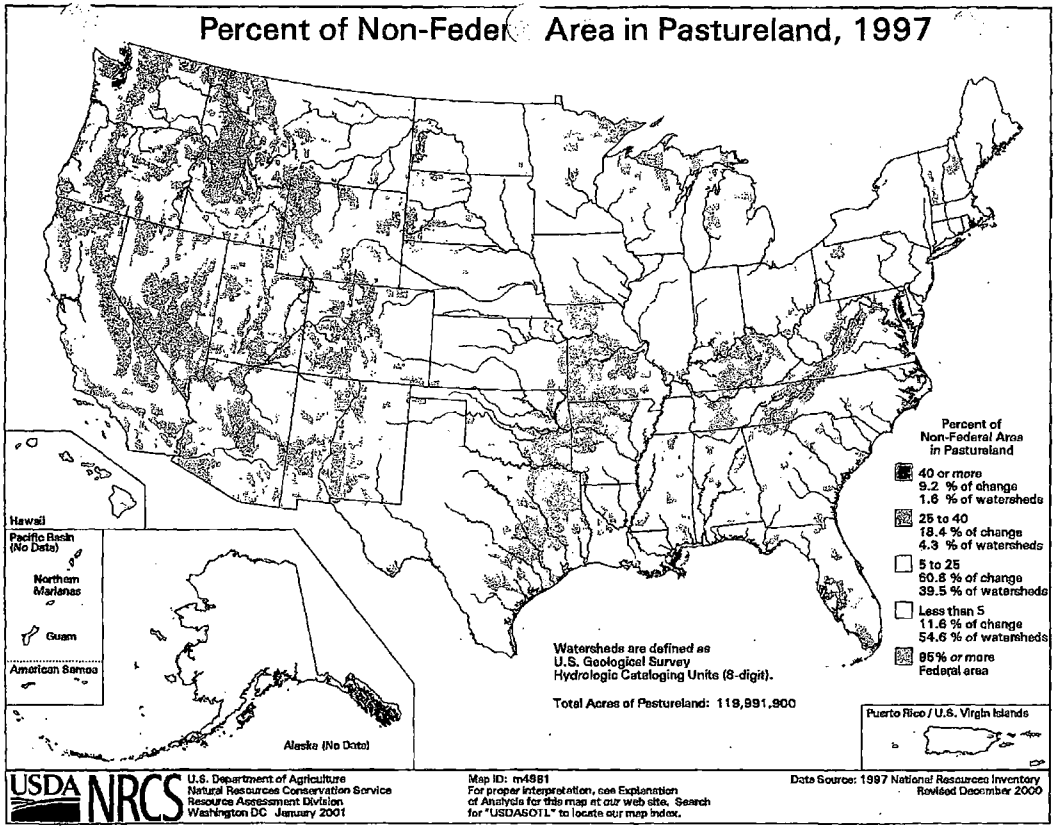
Acres of opland, 1997
95% or more Federal area
Each green dot represents 25,000 acres of cropland
Total Acres: 376,997,900
Hawaii
Pacific Basin (No Data)
Northern Marianas
Guam
American Samoa
Alaska (No Data)
Puerto Rico / U.S. Virgin Islands
USDA NRCS
U.S. Department of Agriculture
Natural Resources Conservation Service
Resource Assessment Division
Washington DC January 2001
Map ID: nri98d
Data Source: 1997 National Resources Inventory
Revised December 2000

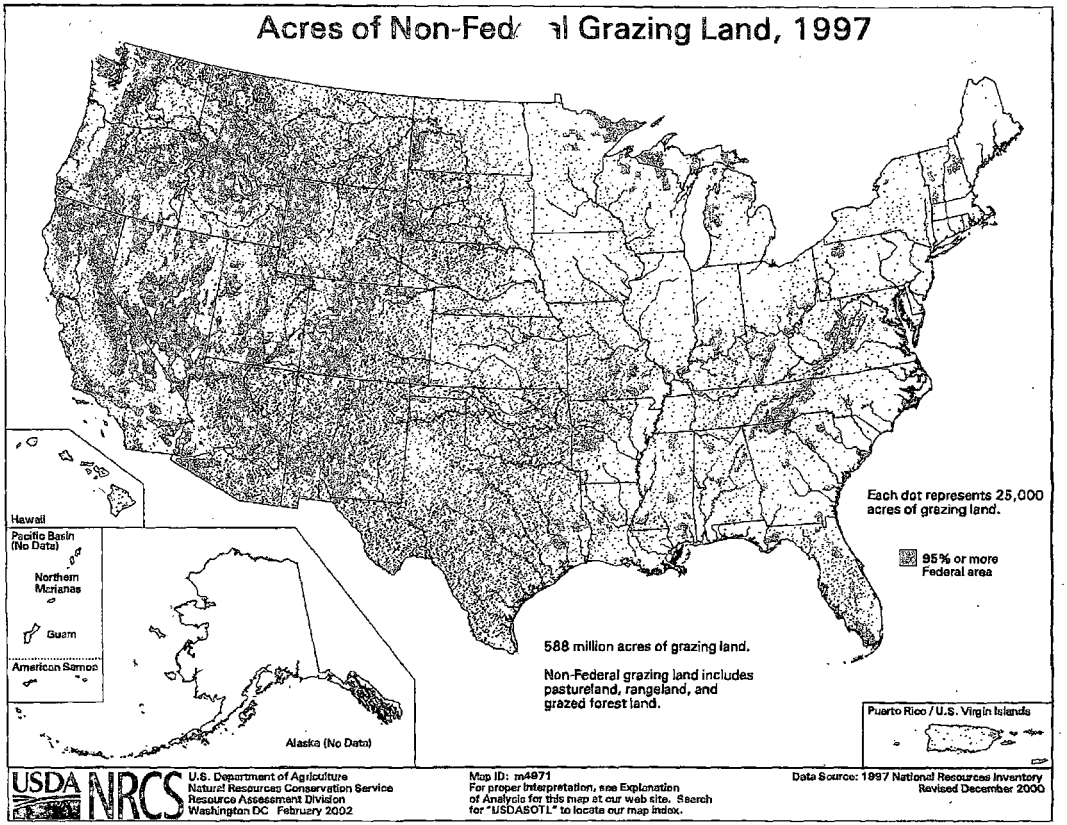

Percent of Non-Federal Area in Cropland, 1997
Percent of Non-Federal Area in Cropland
75 or more
15.6 % of total
4.1 % of watersheds
50 to 75
32.5 % of total
11.0 % of watersheds
25 to 50
28.2 % of total
16.5 % of watersheds
5 to 25
21.4 % of total
35.2 % of watersheds
Less than 5
2.3 % of total
33.2 % of watersheds
95% or more Federal area
Watersheds are defined as U.S. Geological Survey Hydrologic Cataloging Units (8-digit).
Total Cropland Acres: 376,997,900
Hawaii
Pacific Basin (No Data)
Northern Marianas
Guam
American Samoa
Alaska (No Data)
Puerto Rico / U.S. Virgin Islands
USDA NRCS
U.S. Department of Agriculture
Natural Resources Conservation Service
Resource Assessment Division
Washington DC January 2001
Map ID: nr4961
For proper interpretation, see Explanation of Analysis for this map at our web site. Search for "USDASOTL" to locate our map index.
Data Source: 1997 National Resources Inventory
Revised December 2000

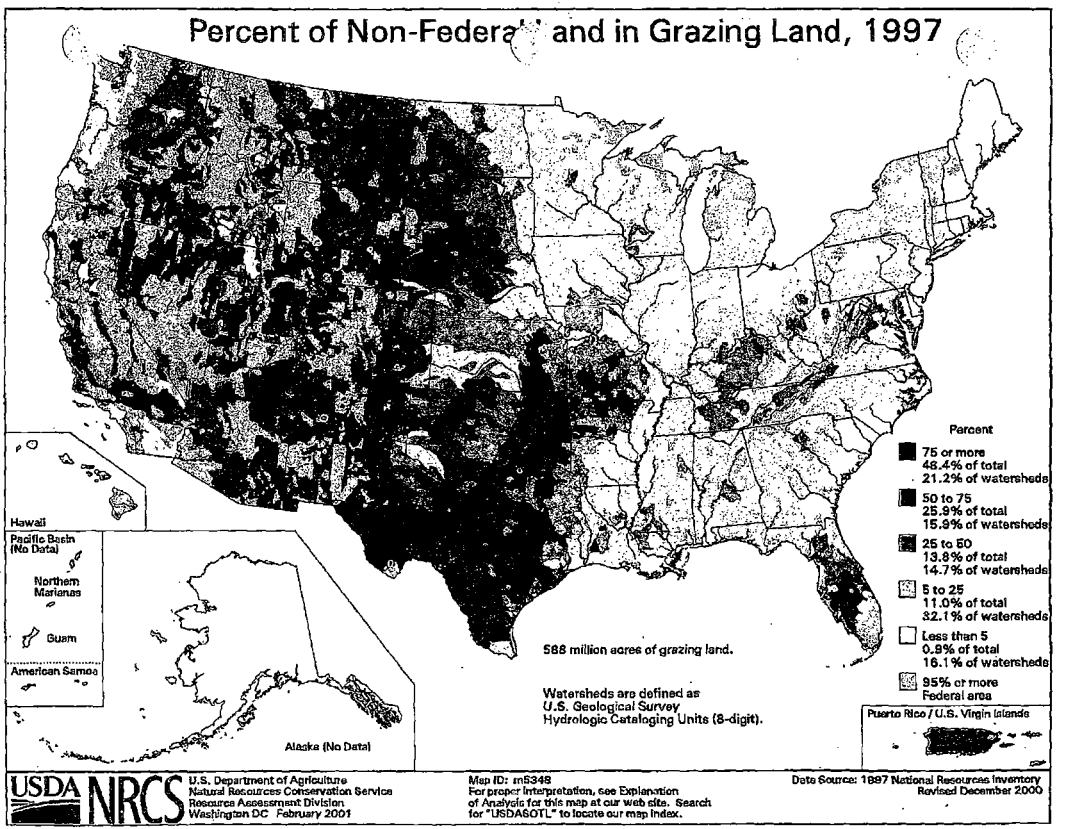
Acres of ngeland, 1997
95% or more Federal area
Each dot represents 25,000 acres of Rangeland
Total Acres of Rangeland: 405,877,200
Hawaii
Pacific Basin (No Data)
Northern Marianas
Guam
American Samoa
Alaska (No Data)
Puerto Rico / U.S. Virgin Islands
USDA NRCS
U.S. Department of Agriculture
Natural Resources Conservation Service
Resource Assessment Division
Washington DC - January 2001
Map ID: rn6120
For proper interpretation, see Explanation of Area Statistics. This map at our web site. Search for "USDASOIL" to locate our map index.
Data Source: 1997 National Resources Inventory


Percent of Non-Federal Area in Rangeland, 1997
Percent of Non-Federal Area in Rangeland
75 or more
41.7% of total
12.6% of watersheds
50 to 75
34.8% of total
14.8% of watersheds
25 to 50
17.6% of total
12.4% of watersheds
5 to 25
5.6% of total
9.8% of watersheds
Less than 5
0.3% of total
50.4% of watersheds
95% or more Federal area
Total Acres of Rangeland: 405,977,200
Watersheds are defined as U.S. Geological Survey Hydrologic Cataloging Units (8-digit).
Hawaii
Pacific Basin (No Data)
Northern Marianas
Guam
American Samoa
Alaska (No Data)
Puerto Rico / U.S. Virgin Islands
USDA NRCS
U.S. Department of Agriculture
Natural Resources Conservation Service
Resource Assessment Division
Washington DC February 2001
Map ID: rn4880
For proper interpretation, see Explanation of Analysis for this map at our web site. Search for "USDASOTL" to locate our map index.
Data Source: 1997 National Resources Inventory Revised December 2000

Acres of Pasture and Pastureland, 1997
95% or more Federal area
Each dot represents 25,000 acres of Pastureland
Total acres of Pastureland: 119,991,800
Hawaii
Pacific Basin (No Data)
Northern Marianas
Guam
American Samoa
Alaska (No Data)
Puerto Rico / U.S. Virgin Islands
USDA NRCS
U.S. Department of Agriculture
Natural Resources Conservation Service
Resource Assessment Division
Washington DC - February 2002
Map ID: ms119
For proper interpretation, see Explanation of Methods for this map at our web site. Search for "USPASTOTL" to locate our map index.
Data Source: 1997 National Resources Inventory


Percent of Non-Federal Area in Pastureland, 1997
Percent of Non-Federal Area in Pastureland
40 or more
9.2 % of change
1.6 % of watersheds
25 to 40
18.4 % of change
4.3 % of watersheds
5 to 25
60.8 % of change
39.5 % of watersheds
Less than 5
11.6 % of change
54.6 % of watersheds
95% or more Federal area
Watersheds are defined as U.S. Geological Survey Hydrologic Cataloging Units (8-digit).
Total Acres of Pastureland: 119,991,900
Hawaii
Pacific Basin (No Data)
Northern Marianas
Guam
American Samoa
Alaska (No Data)
Puerto Rico / U.S. Virgin Islands
USDA NRCS
U.S. Department of Agriculture
Natural Resources Conservation Service
Resource Assessment Division
Washington DC January 2001
Map ID: nr4981
For proper interpretation, see Explanation of Analysis for this map at our web site. Search for "USDASOTL" to locate our map index.
Data Source: 1997 National Resources Inventory
Revised December 2000


Acres of Non-Fed al Grazing Land, 1997
Each dot represents 25,000 acres of grazing land.
95% or more Federal area
588 million acres of grazing land.
Non-Federal grazing land includes pastureland, rangeland, and grazed forest land.
Hawaii
Pacific Basin (No Data)
Northern Marianas
Guam
American Samoa
Alaska (No Data)
Puerto Rico / U.S. Virgin Islands
USDA NRCS
U.S. Department of Agriculture
Natural Resources Conservation Service
Resource Assessment Division
Washington DC February 2002
Map ID: nr4971
For proper interpretation, see Explanation of Analysis for this map at our web site. Search for "USDASOTL" to locate our map index.
Data Source: 1997 National Resources Inventory
Revised December 2000


Percent of Non-Federal Land in Grazing Land, 1997
Percent
75 or more
48.4% of total
21.2% of watersheds
50 to 75
25.9% of total
15.9% of watersheds
25 to 50
13.8% of total
14.7% of watersheds
5 to 25
11.0% of total
32.1% of watersheds
Less than 5
0.9% of total
16.1% of watersheds
95% or more
Federal area
588 million acres of grazing land.
Watersheds are defined as
U.S. Geological Survey
Hydrologic Cataloging Units (8-digit).
Hawaii
Pacific Basin
(No Data)
Northern
Marianas
Guam
American Samoa
Alaska (No Data)
Puerto Rico / U.S. Virgin Islands
USDA NRCS
U.S. Department of Agriculture
Natural Resources Conservation Service
Resource Assessment Division
Washington DC February 2001
Map ID: rn5348
For proper interpretation, see Explanation
of Analysis for this map at our web site. Search
for "USDASOTL" to locate our map index.
Data Source: 1997 National Resources Inventory
Revised December 2000

Broad Land Cov /Use, by State, 1997
Percent of U.S. land area
Cropland 20%
Pastureland 6%
Rangeland 26%
Forest Land 30%
Developed Land 11%
4% Other Land
21% Federal Land
Pie diameters (except for the U.S. total) are scaled between the smallest state, Rhode Island (66 million acres), at .05 inch and the largest, Texas (176,700 million acres), at 1 inch.
Data values of 1% or less are not labeled
Alaska (No Data)
Hawaii
Pacific Basin (No Data)
Northern Marianas
Guam
American Samoa
Puerto Rico / U.S. Virgin Islands
USDA NRCS
U.S. Department of Agriculture
Natural Resources Conservation Service
Data Source: 1997 National Resources Inventory
Revised December 2000
Map ID: m5150
For proper interpretation, see Explanation
of Broad Land Cover/Use Data. Go to NRCS Search
for "USDA50TL" to locate our map index.

LAND COVERED BY CONSERVATION PROGRAMS

Ms. KAPTUR. I am also going to ask you to provide some numbers for the record on the various conservation programs that you administer to incorporate the amount of acres and the kind of technical assistance available to people, so I can get a handle on the magnitude of this and who holds responsibility for those lands.

[The information follows:]

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION PROGRAMS

CONSERVATION PROGRAMS	ACRES	TECHNICAL ASSISTANCE
FPP Farmland Protection Program	108,000 (includes acquired and pending)	Conservation Planning and Installing Conservation Practices Monitoring Conservation Plan Processing Federal Share of Easement Payments Verifying the eligibility of the cooperating entities Evaluating and prioritizing proposals Signing and monitoring cooperative agreements for the Commodity Credit Corporation (CCC) with the selected cooperating entities
RC&D Resources Conservation and Development	1,793,261,348	NRCS provides program administration and technical assistance in the form of a USDA RC&D coordinator to the council. The RC&D coordinator is a facilitator for the local people to build and implement their individualized and locally determined program, as identified in the area plan. The coordinator is a vital link between the RC&D council, it's other partners, and the USDA. Sample accomplishments relating to natural resources: • Improvement of 878,343 acres of wildlife habitat, • Improvement of 224,871 acres of lakes, • Improvement of 5,038 miles of streams
WHIP Wildlife Habitat Incentives Program	1.6 million	WHIP is a voluntary program that provides technical 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. Prior to entering into a contract, NRCS assists a landowner with the development of a wildlife habitat plan
EQIP Environmental Quality Incentives Program	43,565,897 Farm Acres 10,796,946 Cropland Acres	The Environmental Quality Incentives Program (EQIP) provides technical, educational, and financial assistance to eligible farmers and ranchers to address soil, water, and related natural resource concerns on their lands. EQIP plans include structural, vegetative, and land management practices, such as animal waste management facilities, terraces, filter strips, tree planting, permanent wildlife habitat, nutrient management, pest management, and grazing land management. Through EQIP, owners and operators of animal feeding operations (AFOs) may obtain financial and technical assistance to develop and implement comprehensive nutrient management plans (CNMPs), which may include manure and wastewater handling and storage facilities, nutrient management, land treatment practices, record keeping, feed management.

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION PROGRAMS

CONSERVATION PROGRAMS	ACRES	TECHNICAL ASSISTANCE
Soil Survey Program	1.6 billion	Provides soil survey information on all the private and Native American lands (1.6 billion acres) of the United States and provides leadership for the National Cooperative Soil Survey in which other Federal, State, and local agencies, Land Grant Universities and others cooperate in providing soil survey information.
Snow Survey and Water Supply Forecasting	Twelve western states and Alaska.	NRCS snow pack monitoring data and the resultant predictions of each season's water supply is basic to almost all decisions made about management of rivers, reservoirs, filling of allocations for irrigation, domestic, industrial, power supply, and fish and wildlife habitat uses in this region. During FY 2001, 9,007 water supply forecasts were issued and over 17,000 users accessed this information via the internet. Data is gathered daily and hourly from 660 remote Automated Snow telemetry (SNOTEL) stations and 1,000 manually observed snow courses. The near-real-time information is used to understand and manage water use primarily on private lands but also applied to federal, state and parklands as well
CTA Conservation Technical Assistance	Total of 10.2 million acres of cropland and 10.8 million acres of grazing land were treated to the resource management system level (sustainable management)	The program provides technical assistance to land-users, communities, state and local governments, and other Federal agencies to plan and implement conservation systems. CTA is a primary source of technical assistance to participants in USDA cost-share and conservation incentive programs. Conservation systems include practices that reduce erosion, improve soil and water quality, improve and conserve wetlands, enhance fish and wildlife habitat, improve air quality, improve pasture and range condition, reduce upstream flooding, and improve woodlands. CTA provides the largest share of technical assistance to owners and operators of animal feeding operations to develop and implement comprehensive nutrient management plans (CNMPs) that help to meet their environmental and economic objectives.
CRP Conservation Reserve Program. This program is administered by FSA, but NRCS provides technical assistance	33,741,943	CRP technical assistance consists of developing conservation plans needed to increase wildlife habitat, improve water quality, and control soil erosion and sedimentation from cropland. Technical assistance also consists of the layout, survey and design of practices necessary to achieve wildlife habitat, improved water quality, and the control of soil erosion and sedimentation.

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION PROGRAMS

CONSERVATION PROGRAMS	ACRES	TECHNICAL ASSISTANCE
AMA- Agriculture Management Assistance Program	139,714	Technical assistance provided to producers to construct or improve water management structures or irrigation structures; plant trees for windbreaks or improve water quality; and mitigate risks through production diversification or resource conservation practices, including soil erosion control, integrated pest management, or transition to organic farming. Implementation is based on development of a conservation plan for 5 to 10 year contract.
EWP (Emergency Watershed Protection Program)	5,086,784 Acres of Land Protected 29,570 Acres of Easements Purchased	EWP is designated to help people and conserve natural resources by relieving imminent hazards to life and property caused by natural disasters
Watershed and Flood Prevention Projects	Currently there are: PL-566 – 513 active projects covering 48 million acres PL-534 - 9 projects covering 30 million acres	Technical and financial assistance through the Watershed and Flood Prevention Operations funds help local communities solve their resource problems. We assist local communities addressing flooding, irrigation water management, rural water supply, water quality, fish and wildlife habitat and watershed protection. These are accomplished by applying land treatment measures to the upland watersheds, flood control structures, flood proofing, flood plain relocation and conservation easements, animal waste facilities, and treatment of acid mine waste facilities.
PMC Plant Material Centers Program	N/A	The mission of the Plant Material Program is to develop and transfer plant science technology. We evaluate the potential of native plants to solve natural resource problems. Beneficial uses for which plant material may be developed include biomass production, carbon sequestration, erosion reduction, wetland restoration and water quality.
FIP Forestry Incentives Program	5,382,000	Provides cost-share and technical assistance to landowners to encourage voluntary installation of forestry practices
SWCA Soil and Water Conservation Assistance Program	723,140	Provides technical and planning assistance on conservation practices on farms and ranches with an emphasis on conserving water or improving water quality.

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION PROGRAMS

CONSERVATION PROGRAM	ACRES	TECHNICAL ASSISTANCE
WRP Wetland Reserve Program	1,074,245	NRCS develops a preliminary site plan for offered acres initially determined eligible. The plan specifies the manner in which the wetlands and adjacent lands must be restored. NRCS assists in establishing required practices for the easement area. NRCS continues to provide assistance to the landowner after the initial completion of restoration activities. The assistance may be in the form of review of restoration measures, clarification of technical and administrative aspects of easement and agreement management needs, and basic biological and engineering advice on how to achieve optimum results for wetland dependent wildlife.

Ms. KAPTUR. Though the Forest Service itself is not under our jurisdiction, they manage one of the largest vehicle fleets in the Government of the United States. And I am very interested in the biofuels issue and the use of forest residue for the production of biofuels.

I want to ask you, how much do you know about the composition of vehicles within the Forest Service; to what extent any of them use biofuels, ethanol, biodiesel, in either acquiring vehicles that use them or currently vehicles under their jurisdiction using that type of fuel? In other words, can you be a partner as a part of the Department of Agriculture in our efforts to really promote biofuel production through our national energy policy and through the farm bill?

Mr. REY. Clearly we can be and want to be a partner in promoting the use, the development and use of biofuels. And if you look at the Forest Service budget, you will see additional recommendations for research appropriations in the development of biofuels.

I cannot today tell you whether and what the percentage of the Forest Service fleet uses biofuels, but I will get you that information for the record.

One of the things about the Forest Service fleet, as opposed to the inventory of vehicles nationwide, is that our fleet tends to run more heavily toward 4-wheel drive and utility vehicles, pickup trucks, because of the terrain that they are required to traverse. And to the extent that we are focusing more of the effort on developing mixed fuel vehicles in the general passenger vehicle category, that won't be necessarily something that our fleet will accommodate to the extent that passenger fleet as a whole will be. But I can get you specific numbers.

[The information follows:]

The Forest Service (FS) owns and operates a fleet of approximately 19,000 vehicles, which includes heavy equipment, off-road vehicles, snow machines, boats and airplanes. Passenger carrying vehicles make up approximately 3 percent of the total fleet and work trucks comprise another 86 percent of the fleet. Included in the FS vehicle fleet are more than 150 alternative fuel vehicles. The alternative fuels used in these vehicles include compressed natural gas, liquid propane gas, propane gas, methanol, ethanol and electricity. FS also operates more than 4,000 vehicles with diesel engines that can run on bio-diesel products. FS uses on an annual basis approximately 60,000 gallons of alternative fuels in its fleet vehicles. Executive Order 13031—Federal Alternative Fueled Vehicle Leadership—requires that 75 percent of nonexempt vehicles acquired by Federal agencies for use in metropolitan statistical areas with populations of 250,000 or more use alternative fuels. Approximately 90 percent of the nonexempt vehicles FS acquires for use in these areas are alternative fuel vehicles. The remaining FS vehicles are associated with law enforcement or fire activities, are in lesser populated areas, or meet other conditions that exempt them from the Order. Long-range acquisition plans include the annual purchase of more than 50 alternative fuel vehicles.

Ms. KAPTUR. I come from a district that makes a lot of truck transmissions. I would urge you to engage with those in the administration who are involved in this new freedom car. We had the old partnership for a new generation of vehicles. And I really think that you have something to contribute here. And certainly as we clear residue from many of our forests, and you have this enormous passenger power for fuel within your service, I think that you can

be part of the solution. I would urge you to look at that at the highest levels of your responsibility.

URBAN SPRAWL

I want to move to the issue of urban sprawl. If I might ask you or Mr. Reed, what programs you have in place to assist local, State, and regional efforts to effectively deal with urban sprawl?

Ohio, as you know has more urban areas than anywhere, and farming is our largest industry, farming and food processing. We really do have enormous conflicts. We are sort of at the point of making final choices as to what the land will look like 100 years from now, and it is actually a very painful process.

I am just curious to what extent NRCS is involved in assisting communities and States in this regard. What types of programs do you have underway or are considering to help provide the technical assistance and help for township trustees and land conservers and conservation groups that are trying to get a handle on this and how to be proactive in establishing land trusts and development rights and so forth, farmland protection? How do you deal with this?

FARMLAND PROTECTION—FOREST LEGACY PROGRAMS

Mr. REY. The two premiere programs that we operate are the Farmland Protection Program, and the Forest Legacy Program. Both programs provide financial assistance on a cost-share basis to purchase easements of farm and forestlands, predominately those that are threatened by urban sprawl. And those are program areas where both in the case of the Forest Service fiscal 2003 budget, we are recommending significant increases in funding.

Ms. KAPTUR. How much is that, please?

Mr. REY. We are recommending $70 million for fiscal 2003, which would be roughly a 20 percent—18 percent increase over 2002 levels. Additionally, both the Farmland Protection Program and the Forest Legacy Program are scheduled for healthy increases in the farm bill that is currently in conference.

Ms. KAPTUR. What are you asking for in the Farmland Protection Program, and is that an increase over last year?

Mr. REY. In the Senate bill, the provision is for $150 million in 2002, $250 million in 2003, $400 million in 2004, $450 million in 2005, and $500 million in 2006. That is a 5-year bill, so that is as far as it goes.

The House bill provides funding at $50 million per year through 2011. That is a 10-year bill. So it provides monies spread over a longer time horizon. And what did we spend this past year on farmland protection? This past year we spent $17.5 million in farmland protection. So either bill represents a pretty dramatic increase in the Farmland Protection Program.

Ms. KAPTUR. All right. Is there any summary that is available from the Department as to how those Farmland Protection-Forest Legacy dollars have been used over the years? I don't need a lengthy report, but to get a sense of how those dollars have been used, so one can talk about it intelligently to the public, which States have participated, which have not, what you expect from the States or localities. I know in our own State, one of the tragedies is Ohio seems to be not leading but following the pack on this.

They didn't even have legislation in place, and so even if you had regions of a State that were interested in participating, if the State government wasn't interested, you couldn't do anything regionally, which was a great frustration of ours in our part of the State. And the State finally got its act together, but they are very late.

And so any enlightenment you can provide there will be greatly appreciated.

[The information follows:]

The Forest Legacy Program (FLP) is a voluntary private forestland conservation program that ascertains and protects environmentally important forest areas that are threatened with conversion to non-forest uses. It involves a partnership between the State and Private Forestry and National Forest System branches of the Forest Service (FS), State foresters, State agencies, local governments, land trusts, and interested landowners. It provides financial assistance leveraged by non-Federal cost-sharing and cooperation with States to conserve important forests. On average, each federal dollar leverages an equal amount in non-federal contributions to the program through donated lands or interests in lands, bargain sales, and through additional in-kind contributions from States and partners.

The FLP was created by the 1990 Farm Bill as part of the Cooperative Forestry Assistance Act of 1978 (CFAA, 16 U.S.C. 2103c,) as amended. The FLP began implementation in 1992 and was amended in 1996 to offer a State grant option. Under this option, Legacy acquisition land titles can be vested to the State or a unit of State or local government. Most States are taking advantage of this option. As of November 2001, FLP has completed 113 projects, conserving 209,537 acres of forest in 18 States and Territories through FLP payments of approximately $51 million. In FY 2002, Congress appropriated $65 million to FLP. Congress earmarked approximately $43 million of these funds for 25 projects in 15 States, and allocated $22 million for additional projects and administration. Forty-three projects will be completed across 24 States with these funds.

The following 31 States currently participate in the FLP: Alabama, California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Illinois, Indiana, Iowa, Massachusetts, Maryland, Maine, Minnesota, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Virginia, Washington, and Wisconsin. The following 10 States and territories are preparing plans for entry into the FLP in FY 2003: Alaska, American Samoa, Idaho, Kentucky, Michigan, Missouri, Nebraska, Oklahoma, West Virginia, and the Virgin Islands. All States and territories are invited to join the program.

Entry into the program requires preparation of an "Assessment of Need" forest protection plan that must be approved by the Secretary. The FLP provides financial assistance to help each State prepare its plan. The plan sets program goals, focus areas called "Forest Legacy Areas," and sets the strategic direction for the States to work with willing private landowners. The States accomplish plan goals through the purchase of fee simple title or interests in land through conservation easements of lands identified in the Assessment of Need. When conservation easements are acquired, the land remains on the tax rolls and continues to contribute to the community and the local economy, the private owners, and the environment. Acquisitions consider national significance, critical resource values, demographic pressures and development threats, unique environmental features, traditional forest uses, potential leverage of non-federal funds, and history of ongoing efforts. FS and the States prioritize potential acquisitions for Administration approval.

FARMLAND PROTECTION PROGRAM

The Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) authorized the Farmland Protection Program (FPP). The FPP is designed to enable the Federal government to establish partnerships with State, Tribal, or local governmental entities and non-governmental organizations (NGO) to share in the costs of acquiring conservation easements in order to limit conversion of agricultural lands to nonagricultural uses. The easements are held by the participating entity, not the Federal government. The Natural Resources Conservation Service (NRCS) has been designated by the Secretary of Agriculture as the lead agency to administer FPP.

Eligible lands under the program include:

- Lands with prime, unique, or other productive soil and
- Other incidental lands that would not otherwise be eligible, but are considered part of a pending easement offer.

Program operation:
FPP is carried out through existing NGO and State, Tribal, or local government farmland protection programs. Any eligible entity which has a farmland protection program that purchases conservation easements for the purpose of protecting topsoil by limiting conversion to nonagricultural uses of land, and which has pending offers with willing landowners, may apply for FPP funds. NGOs were authorized under the Agricultural Risk Protection Act of 2000 to participate for the first time in FY-2001. To be eligible NGOs must have been organized principally for the preservation of land; operated for charitable, religion, or educational purposes; and receive more than one third of their support from charitable contribution, grants, or membership fees. Individual landowners need to apply through the farmland protection programs of the eligible entities to participate in FPP. To date, all acquired easements and other interests proposed for acquisition are for perpetuity.

Technical assistance: NRCS assists landowners in developing conservation plans for lands accepted in FPP. The plan ensures protection of natural resources associated with the conservation easement.

Program funding: A total of $35 million was authorized in the 1996 Act. In fiscal year 2001, an additional $17.5 million was authorized by the Agricultural Risk Protection Act. Under this authorization, NGOs- were eligible to participate for $10 million of the $17.5 million available. The total funding for FPP since the program's inception is $52.75 million.

FPP Funds Requested

Fiscal Year	RFP Published Date	States Applied	No. of Easements	Proposed Acreage	Est. Easement Value ($ mil.)	FPP Funds Requested ($ mil.)
1996	8/21/96	20	628	176,000	$329	$130.6
1997	5/28/97	12	98	10,000	40	6.5
1998	3/20/98	20	481	99,000	205	61.2
2000	Congressional Earmark	1	5	262	.511	NA
2001	1/22/01	29	742	167,368	292	$107.7
Total			1954	452,630	866.511	$306

FPP Funds Awarded

Fiscal Year	States Awarded Funds	Number of Easements*	Total Acres Acquired*	Est. Easement Value ($ mil.)*	FPP Financial Assistance Funds Awarded ($ mil.)*
1996	17	163	29,781	$57.69	$14.43
1997	10	26	4,512	10.7	1.92
1998	19	186	38,507	60.5	17.28
2000	1	5	262	0.51	0.24
2001	28	163	34,902	57.5	16.8
Total		543	107,964	$186.91	$50.67

* Includes pending easements.

As the above tables indicate (excluding fiscal year 2000) FPP funds were available at 11, 30, 28, and 16 percent of the funds requested. As is evident from the tables, the demand for the program has exceeded available funds by approximately 600 percent.

Since FPP's inception in 1996, 28 States have received nearly $50.67 million for financial assistance from FPP funds. Approximately 108,000 acres on 543 farms, with an estimated easement value of more than $184.91 million, are being permanently protected from conversion to nonagricultural uses. For every Federal dollar, an additional $3.68 has been contributed by the participating State and local government entities and non-governmental organizations.

For the easements already acquired, the average Federal share accounts for approximately 27 percent, and the average State and local government and non-governmental organization share accounts for approximately 73 percent.

Farmland Protection Program
Cumulative Summary, FY-96 Through FY-01

State	Total Obligations For FPP Funding	Easements Acquired*		Pending Easements	
		Number	Acres	Number	Acres
CALIFORNIA	$4,473,100	10	1,129	11	690
COLORADO	2,518,100	10	4,130	2	1,223
CONNECTICUT	2,598,200	6	938	6	1,104
DELAWARE	2,922,200	18	5,696	11	2,430
FLORIDA	1,733,200	2	3,709	1	1,800
IDAHO	204,000	0	0	1	680
ILLINOIS	500,000	0	0	1	100
IOWA	278,000	0	0	5	920
KENTUCKY	1,710,000	14	2,663	9	628
MASSACHUSETTS	3,011,900	27	2,756	7	472
MARYLAND	3,689,397	66	8,658	19	4,801
MAINE	996,900	2	269	7	2,642
MICHIGAN	2,939,200	14	1,723	4	413
MONTANA	99,200	0	0	1	99
NORTH CAROLINA	1,025,800	6	343	3	679
NEW HAMPSHIRE	1,071,300	11	773	3	262
NEW JERSEY	3,334,800	28	5,306	24	2,478
NEW YORK	2,322,600	11	1,800	16	4,725
OKLAHOMA	25,000	0	0	1	107
PENNSYLVANIA	3,908,800	58	11,404	14	2,206
RHODE ISLAND	1,680,700	8	616	3	361
SOUTH CAROLINA	288,000	0	0	1	191
TEXAS	462,000	0	0	1	900
UTAH	112,000	0	0	1	16
VIRGINIA	600,400	0	0	3	1,111
VERMONT	5,618,700	39	12,395	25	9,406
WASHINGTON	1,214,800	12	897	7	534
WISCONSIN	1,326,700	11	1,201	3	580
TOTAL	$50,664,997	353	66,406	190	41,558

* Easements acquired through September 30, 2001.

WATERSHED PROGRAMS

Ms. KAPTUR. I also support my colleagues on their concerns about the watershed programs. I think those are all of my questions, and we thank you so very, very much. We hope that your tenure is a very successful one, and we ought to get you written up in the Michigan Alumni Magazine if it hasn't already been done, a famous graduate of the School of Natural Resources.

I wanted to say to Chief Reed, it is always a pleasure to have you here, and your thoroughness and your professionalism and your 81 percent grade are a tribute to the fine work that has been done by NRCS over the years. And we hope you come back very often here. We enjoy having you.

Mr. BONILLA. Thank you, Ms. Kaptur. We have now been joined by Mr. Nethercutt, so I will now yield.

Mr. NETHERCUTT. Thank you, Mr. Chairman. Members of the panel, welcome. I apologize to you for being late. We have had three hearings going on. I know the Chairman does also, and other members, so thank you for being here. I am sorry to have missed your testimony, but I have been told what you said, so I am ready to ask a couple of questions that I hope will be of interest to you.

AIR QUALITY

My understanding is there has been discussion in the whole area of conservation relating to water and land conservation. I would ask anyone on the panel, to what extent do you believe air quality should also be a subject of concern as it relates to conservation? Out our way, we have the issue of stubble burn. That is a controversial issue. But what can you tell us about what the Department is doing with respect to the subject of air quality, and to what extent is there collaboration going on with interested parties as it relates to air quality conservation as opposed to land and water conservation?

Mr. REED. Mr. Nethercutt, as you know, the Chief of NRCS serves as chairman of the USDA Air Quality Task Force. We have a very, very strong task force. I would like to just cover two or three major accomplishments of the task force.

First, we have developed priorities for research. The research priorities focus primarily on particulate matter, PM 210, PM 2.5, as well as issues dealing with animal odors and emissions. We are in the process of pulling together a good solid set of recommendations centered around voluntary incentive-based air compliance programs in working with EPA, and we have also recommended a burning policy. Also we have an EPA representative on the task force.

Mr. NETHERCUTT. I appreciate that. It is a difficult issue out our way. When you are growing crops that are enhanced by burning but yet you are facing the issue, the very emotional issue of air quality, and, you know, in stubble burning you see smoke in the air, and suddenly there is grave concern that children are going to have asthma attacks and so on. This is an emotional issue, the issue of burning. Yet notwithstanding that, it happens about 4 days a year, or has in our State. But Idaho, to the east of us, is engaged

in a burning policy that sends the smoke our way even though our agriculture industry is not guilty.

It is a tough issue. I would hope that would be a coordinated effort and a fair analysis recognizing that there is an economy here, an ag economy that we have to maintain and do our best to go to other opportunities for cultivation and production of crops without burning. I don't think it can be done overnight. Field burning is a tough issue that I know you and probably members of the entire panel are familiar.

Mr. REY. In some parts of the country, the air quality implications of agricultural operations are one of the fastest growing areas where we get requests for technical assistance. I think one of the benefits of the upcoming farm bill allocations will be the ability to provide some of that assistance either through our technical assistance accounts or through EQIP.

Mr. NETHERCUTT. Am I still able to ask another question?

Mr. BONILLA. Go right ahead.

Mr. NETHERCUTT. I don't want to hold you up.

Mr. BONILLA. You are the final member to be recognized. I think Ms. Kaptur also has one more question.

THIRD-PARTY VENDORS

Mr. NETHERCUTT. I am sorry to delay. Let me ask the panel what your thoughts are on contracting with certified third parties to provide technical assistance to the land owners for certain practices.

I have heard some concerns that technical assistance is sometimes delayed to complete projects such as inspection prior to timely seeding of CRP to recover crop. Delayed seeding, particularly in arid regions, increases the risk of a poor stand, and both landowners and taxpayers may have to provide additional funds to successfully complete the project, something that you all have had to address in your particular work. Is it something you would consider, is it a bad idea, a good idea, what is your sense of it?

Mr. REED. There are several issues, Mr. Nethercutt. Number 1, the issue of third-party vendors is one that we have been participating in to one degree or the other for a long, long period of time. As you know, there are provisions in both versions of the farm bill for a more extensive use of third-party providers to help with the technical assistance workload. And we are getting geared up to do just that.

Also you mentioned CRP. FSA is in the process right now of conducting a pilot testing for the use of third-party vendors. And we, of course, will take that information and incorporate it in what we do as we get geared up to implement the third-party provisions that will come out of the 2002 farm bill.

We think that the only way we will be able to get the work done is to expand our use of third-party providers.

LAND OWNERS IMPORTANT DECISION MAKERS

Mr. NETHERCUTT. Thanks. I know in your statement, your written statement that you made mention that the most important members of the conservation partnership are the people who own the land and make the decisions for its use. I would just conclude by saying I agree with you. As we look at CRP versus continuing

land in production, CRP has a negative impact on rural communities that are under stress alone in terms of economic growth and continuation. When the land goes into CRP, the seed man and the farm implement guy and everybody suffers. Conservation of land is important. But conservation of productive land in production is also important as we keep farmers on the land and keep them growing crops as opposed to the alternatives. So it is a tough equation. I happen to like the House bill on the Conservation Reserve Program allocations as opposed to the Senate just for that reason. We need to have production agriculture flourish in this country, as well as the conservation side of agriculture.

So, with that, I thank all of you for your commitment to the government and your assistance to agriculture.

Mr. BONILLA. Thank you, Mr. Nethercutt. I understand Ms. Kaptur has one area.

REPROGRAMMING AUTHORITY

Ms. KAPTUR. Yes, Mr. Chairman. Just to follow up on this whole question of reprogramming within the Agency. For the record, we will just ask if you can please provide the scope of your reprogramming authority under NRCS.

Mr. REY. Sure. We can provide you that.

[The information follows:]

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

OFFICE OF BUDGET, PLANNING AND EVALUATION

APR - 5 1978

SUBJECT: Guidance for Reprogramming Proposals

TO: Agency Budget Officers

Section 296, Title VI of the Department's Administrative Regulations contains general guidelines for the submission of reprogramming requests. The apropriations committees have recently requested that we clarify those guidelines to assure that all such proposals are handled on a consistent basis.

Reprogramming proposals will be submitted to both Appropriations Committees when one of the following criteria are met:

-- funding will be increasad by 10 percent or $50,000 or more, whichever is lower, for any individual program.

-- additional funding will be applied to a program reduced or deleted by either Appropriations Committee.

-- funding will be reduced for a program known to be of special interest to either Appropriations Committee.

-- new programs not previously justified to the Congress will be funded.

-- reprogrammings are proposed under the authority of 7 U.S.C. 2257. (The Secretary's 7 percent interchange authority.)

Reprogramming requests, prepared for both Appropriation Committees, should be submitted to the Director, OBPE who will arrange for review, approval and signature by appropriate Departmental policy officials.

An Explanation of Program Revisions (attached format) should be included as an attachment to each reprogramming letter to provide a comprehensive and detailed explanation of the changes in circumstances which necessitate the program revisions.

I would like to take this opportunity to remind you that extreme care must be exercised in deciding when the use of funds constitutes a reprogramming. Please refer to 6 AR 296 and to these guidelines when questions arise. Let me know when further assistance is needed.

STEPHEN B. DEWHURST
ACTING DIRECTOR

Attachment

EXPLANATION OF PROGRAM REVISIONS

Agency: USDA Number: (To be assigned by OBPE)

Summary of Program Revisions

(For each separate account and program show the following:)

Account/Program	Fiscal Year Appropriation Provided by Congress	Proposed Program Revision	Revised Total Program
Increases:			
Total			
Decreases:			
Total			

Explanation of Program Revisions

For each program involving an increase, indicate the reasons why the increase is necessary. For each decrease, explain why this money is available at this time (was being deferred intentionally, money could not be used, revised estimate of requirements, etc.).

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Sec. 2257. - Interchangeability of funds for miscellaneous expenses and general expenses

Not to exceed 7 per centum of the amounts appropriated for any fiscal year for the miscellaneous expenses of the work of any bureau, division, or office of the Department of Agriculture shall be available interchangeably for expenditures on the objects included within the general expenses of such bureau, division, or office, but no more than 7 per centum shall be added to any one item of appropriation except in cases of extraordinary emergency

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Notes on Sec. 2257.

SOURCE
Sept. 21, 1944, ch. 412, title VII, Sec. 702(b), 58 Stat. 741.

CODIFICATION

This section was enacted as part of the Department of Agriculture Organic Act of 1944.

Section was formerly classified to section 572 of Title 5 prior to the general revision and enactment of Title 5, Government Organization and Employees, by Pub. L. 89-554, Sec. 1, Sept. 6, 1966, 80 Stat. 378

United States General Accounting Office
GAO
Office of the General Counsel

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PRINCIPLES OF FEDERAL APPROPRIATIONS LAW

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Volume I

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However, once the election has been made, the continued use of the appropriation selected to the exclusion of any other for the same purpose is required, in the absence of changes in the appropriation acts. 68 Comp. Gen. 337 (1989); 23 Comp. Gen. 827 (1944); 10 Comp. Gen. 440 (1931); 5 Comp. Gen. 479 (1926); 15 Comp. Dec. 101 (1908); 5 Op. Off. Legal Counsel 391 (1981).

In 59 Comp. Gen. 518 (1980), the Environmental Protection Agency received separate lump-sum appropriations for "Research and Development" and "Abatement and Control." A contract entered into in 1975 could arguably have been charged to either appropriation, but EPA had elected to charge it to Research and Development. Applying the above rule, the Comptroller General concluded that a 1979 modification to the contract had to be charged to Research and Development funds, and that the Abatement and Control appropriation could not be used.

Thus, in this type of situation (two appropriations, both arguably available, neither of which specifies the object in question), the agency may make an initial election as to which appropriation to use. However, once it has made that election and has in fact used the selected appropriation, it cannot thereafter, because of insufficient funds in the selected appropriation or for other reasons, change its election and use the other appropriation.

3. Transfer and Reprogramming

For a variety of reasons, agencies have a legitimate need for a certain amount of flexibility to deviate from their budget estimates. Two ways to shift money from one place to another are transfer and reprogramming. While the two concepts are related in this broad sense, they are nevertheless different.

a. Transfer

Transfer is the shifting of funds between appropriations. Glossary at 80. For example, if an agency receives one appropriation for Operations and Maintenance and another for Capital Expenditures, a shifting of funds from either to the other is a transfer.

The basic rule with respect to transfer is simple: Transfer is prohibited without statutory authority. The rule applies equally to (1)

transfers from one agency to another,[29] (2) transfers from one account to another within the same agency,[30] and (3) transfers to an interagency or intraagency working fund.[31] In each instance, statutory authority is required. An agency's erroneous characterization of a proposed transfer as a "reprogramming" is irrelevant. See B-202362, March 24, 1981.

The rule applies even though the transfer is intended as a temporary expedient (for example, to alleviate a temporary exhaustion of funds) and the agency contemplates reimbursement. Thus, without statutory authority, an agency cannot "borrow" from another account or another agency. 36 Comp. Gen. 386 (1956); 13 Comp. Gen. 344 (1934). An exception to this proposition is 31 U.S.C. § 1534, under which an agency may temporarily charge one appropriation for an expenditure benefiting another appropriation of the same agency, as long as amounts are available in both appropriations and the accounts are adjusted to reimburse the appropriation initially charged during or as of the close of the same fiscal year. This statute was intended to facilitate "common service" activities. For example, an agency procuring equipment to be used jointly by several bureaus or offices within the agency funded under separate appropriations may initially charge the entire cost to a single appropriation and later apportion the cost among the appropriations of the benefiting components. See generally S. Rep. No. 1284, 89th Cong., 2d Sess. (1966), reprinted at 1966 U.S. Code Cong. & Admin. News 2340.

The prohibition against transfer is codified in 31 U.S.C. § 1532, the first sentence of which provides:

"An amount available under law may be withdrawn from one appropriation account and credited to another or to a working fund only when authorized by law."

[29]7 Comp. Gen. 524 (1928); 4 Comp. Gen. 848 (1925); 17 Comp. Dec. 174 (1910). A case in which adequate statutory authority was found to exist is B-217093, January 9, 1985 (transfer from Japan-United States Friendship Commission to Department of Education to partially fund study of Japanese education).

[30]65 Comp. Gen. 881 (1986); 33 Comp. Gen. 216 (1953); 33 Comp. Gen. 214 (1953); 17 Comp. Dec. 7 (1910); B-206868, March 15, 1982; B-178205, April 13, 1976; B-164912-O.M., December 21, 1977.

[31]26 Comp. Gen. 545, 548 (1947); 19 Comp. Gen. 774 (1940); 6 Comp. Gen. 748 (1927); 4 Comp. Gen. 703 (1925).

In addition to the express prohibition of 31 U.S.C. § 1532, an unauthorized transfer would violate 31 U.S.C. § 1301(a) (which prohibits the use of appropriations for other than their intended purpose), would constitute an unauthorized augmentation of the receiving appropriation, and could, if the transfer led to overobligating the receiving appropriation, result in an Antideficiency Act violation as well. E.g., B-222009-O.M., March 3, 1986.

Some agencies have limited transfer authority either in permanent legislation or in appropriation act provisions. Such authority will commonly set a percentage limit on the amount that may be transferred from a given appropriation and/or the amount by which the receiving appropriation may be augmented. A transfer pursuant to such authority is, of course, entirely proper. B-167637, October 11, 1973. An example is 7 U.S.C. § 2257, which authorizes transfers between Department of Agriculture appropriations. The amount to be transferred may not exceed 7% of the "donor" appropriation, and the receiving appropriation may not be augmented by more than 7% except in extraordinary emergencies. Cases construing this provision include 33 Comp. Gen. 214 (1953); B-218812, January 23, 1987; B-123498, April 11, 1955; and B-218812-O.M., July 30, 1985.

If an agency has transfer authority of this type, its exercise is not precluded by the fact that the amount of the receiving appropriation had been reduced from the agency's budget request. B-151157, June 27, 1963. Also, the transfer statute is an independent grant of authority and, unless expressly provided otherwise, the percentage limitations do not apply to transfers under any separate transfer authority the agency may have. B-239031, June 22, 1990.

Another type of transfer authority is illustrated by 31 U.S.C. § 1531, which authorizes the transfer of unexpended balances incident to executive branch reorganizations, but only for purposes for which the appropriation was originally available. Cases discussing this authority include 31 Comp. Gen. 342 (1952) and B-92288 et al., August 13, 1971.

Statutory transfer authority does not require any particular "magic words." Of course the word "transfer" will help, but it is not necessary as long as the words that are used make it clear that transfer is being authorized. B-213345, September 26, 1986; B-217093, January 9, 1985; B-182398, March 29, 1976 (letter to Senator Laxalt), modified on other grounds by 64 Comp. Gen. 370 (1985).

Some transfer statutes have included requirements for approval by one or more congressional committees. In light of the Supreme Court's decision in Immigration and Naturalization Service v. Chadha, 462 U.S. 919 (1983), such "legislative veto" provisions are no longer valid. Whether the transfer authority to which the veto provision is attached remains valid depends on whether it can be regarded as severable from the approval requirement. This in turn depends on an evaluation, in light of legislative history and other surrounding circumstances, of whether Congress would have enacted the substantive authority without the veto provision. See, e.g., 6 Op. Off. Legal Counsel 520 (1982), in which the Justice Department concluded that a Treasury Department transfer provision was severable and therefore survived a legislative veto provision.

The precise parameters of transfer authority will, of course, depend on the terms of the statute which grants it. The analytical starting point is the second sentence of 31 U.S.C. § 1532:

"Except as specifically provided by law, an amount authorized to be withdrawn and credited [to another appropriation account or to a working fund] is available for the same purpose and subject to the same limitations provided by the law appropriating the amount."

A number of GAO decisions, several predating the enactment of 31 U.S.C. § 1532, have made essentially the same points—that, except to the extent the statute authorizing a transfer provides otherwise, transferred funds are available for purposes permissible under the donor appropriation and are subject to the same limitations and restrictions applicable to the donor appropriation.[32]

Restrictions applicable to the receiving account but not to the donor account may or may not apply. Where transfers are intended to accomplish a purpose of the source appropriation (Economy Act transactions, for example), transferred funds have been held not subject to such restrictions. E.g., 21 Comp. Gen. 254 (1941); 18 Comp. Gen. 489 (1938); B-35677, July 27, 1943; B-131580-O.M., June 4, 1957. However, for transfers intended to permit a limited augmentation of the receiving account (7 U.S.C. § 2257, for example),

[32]E.g., 31 Comp. Gen. 109, 114-15 (1951); 28 Comp. Gen. 365 (1948); 26 Comp. Gen. 545, 548 (1947); 18 Comp. Gen. 489 (1938); 17 Comp. Gen. 900 (1938); 17 Comp. Gen. 73 (1937); 16 Comp. Gen. 545 (1936); B-167034-O.M., January 20, 1970.

this principle is arguably inapplicable in view of the fundamentally different purpose of the transfer.

As noted above, in the context of working funds, the prohibition against transfer applies not only to interagency funds, but to the consolidation of all or parts of different appropriations of the same agency into a single fund as well. In a few instances, the "pooling" of portions of agency unit appropriations has been found authorized where necessary to implement a particular statute. In B-195775, September 10, 1979, the Comptroller General approved the transfer of portions of unit appropriations to an agency-wide pool to be used to fund the Merit Pay System established by the Civil Service Reform Act of 1978. The transfers, while not explicitly authorized in the statute, were seen as necessary to implement the law and carry out the legislative purpose. Following this decision, the Comptroller General held in 60 Comp. Gen. 686 (1981) that the Treasury Department could "pool" portions of appropriations made to several separate bureaus to fund an Executive Development Program also authorized by the Civil Service Reform Act. However, pooling which would alter the purposes for which funds were appropriated is an impermissible transfer unless authorized by statute. E.g., B-209790-O.M., March 12, 1985.

The reappropriation of an unexpended balance for a different purpose is a form of transfer. Such funds cease to be available for the purposes of the original appropriation. 18 Comp. Gen. 564 (1938); A-79180, July 30, 1936. Cf. 31 U.S.C. § 1301(b) (reappropriation for different purpose to be accounted for as a new appropriation). If the reappropriation is of an amount "not to exceed" a specified sum, and the full amount is not needed for the new purpose, the balance not needed reverts to the source appropriation. 18 Comp. Gen. at 565.

The prohibition against transfer would not apply to transfers of administrative allocations within a lump-sum appropriation since the allocations are not legally binding.[33] Thus, where the (then) Department of Health, Education, and Welfare received a lump-sum appropriation covering several grant programs, it could set aside a portion of each program's allocation for a single fund to be used for

[33]The agency must be careful that a transfer of administrative allocations does not, under its own fund control regulations, produce a violation of 31 U.S.C. § 1517(a), discussed further in Chapter 6.

"cross-cutting" grants intended to serve more than one target population, as long as the grants were for projects within the scope or purpose of the lump-sum appropriation. B-157356, August 17, 1978.

b. Reprogramming

A few years ago, the Deputy Secretary of Defense made the following statement:

> "The defense budget does not exist in a vacuum. There are forces at work to play havoc with even the best of budget estimates. The economy may vary in terms of inflation; political realities may bring external forces to bear; fact-of-life or programmatic changes may occur. The very nature of the lengthy and overlapping cycles of the budget process poses continual threats to the integrity of budget estimates. Reprogramming procedures permit us to respond to these unforeseen changes and still meet our defense requirements."[34]

The thrust of this statement, while made from the perspective of the Defense Department, applies at least to some extent to all agencies.

Reprogramming is the utilization of funds in an appropriation account for purposes other than those contemplated at the time of appropriation.[35] In other words, it is the shifting of funds from one object to another within an appropriation. The term "reprogramming" appears to have come into use in the mid-1950s although the practice, under different names, pre-dates that time.[36]

The authority to reprogram is implicit in an agency's responsibility to manage its funds; no statutory authority is necessary. See, e.g., 4B Op. Off. Legal Counsel 701 (1980), discussing the Attorney General's authority to reprogram to avoid deficiencies; B-196854.3, March 19, 1984 (Congress is "implicitly conferring the authority to reprogram" by enacting lump-sum appropriations). Indeed, reprogramming is usually a non-statutory arrangement. This means that there is no general statutory provision either authorizing or prohibiting it, and it has evolved largely in the form of informal (i.e., non-statutory) agreements between various agencies and their

[34]Remarks Prepared for Delivery by The Honorable William H. Taft IV, Deputy Secretary of Defense, before the House Armed Services Committee Concerning Reprogramming Action Within the Department of Defense, September 30, 1985 (unprinted).

[35]Glossary at 74; B-164912-O.M., December 21, 1977.

[36]Louis Fisher, Presidential Spending Power 76-77 (1975). Fisher also briefly traces the evolution of the concept.

congressional oversight committees. These informal arrangements do not have the force and effect of law. Blackhawk Heating & Plumbing Co. v. United States, 622 F.2d 539, 548 (Ct. Cl. 1980). See also 56 Comp. Gen. 201 (1976), holding that the Navy's failure to complete a form required by Defense Department reprogramming regulations was not sufficient to support a claim for proposal preparation costs by an unsuccessful bidder upon cancellation of the proposal.

Thus, as a matter of law, an agency is free to reprogram unobligated funds as long as the expenditures are within the general purpose of the appropriation and are not in violation of any other specific limitation or otherwise prohibited. E.g., B-123469, May 9, 1955. This is true even though the agency may already have administratively allotted the funds to a particular object. 20 Comp. Gen. 631 (1941). In some situations, the agency's discretion may rise to the level of a duty. E.g., Blackhawk Heating & Plumbing at 552 n.9 (satisfaction of obligations under a settlement agreement).

There are at present no reprogramming guidelines applicable to all agencies. As one might expect, reprogramming policies, procedures, and practices vary considerably among agencies.[37] In view of the nature of its activities and appropriation structure, the Defense Department has the most detailed and sophisticated procedures.[38]

In some cases, Congress has attempted to regulate reprogramming by statute, and of course any applicable statutory provisions control. B-164912-O.M., December 21, 1977. For example, a provision frequently found in Defense Department appropriation acts prohibits the use of funds to prepare or present a reprogramming request to the Appropriations Committees "where the item for

[37]GAO reports in this area include Economic Assistance: Ways to Reduce the Reprogramming Notification Burden and Improve Congressional Oversight, GAO/NSIAD-88-202 (September 1988) (foreign assistance reprogramming); Budget Reprogramming: Opportunities to Improve DOD's Reprogramming Process, GAO/NSIAD-89-138 (July 1989); Budget Reprogramming: Department of Defense Process for Reprogramming Funds, GAO/NSIAD-86-164BR (July 1986).

[38]See Reprogramming of Appropriated Funds, Department of Defense Directive No. 7250.5 (1980); Implementation of Reprogramming of Appropriated Funds, Department of Defense Instruction No. 7250.10 (1980).

which reprogramming is requested has been denied by the Congress."[39] The Comptroller General has construed this provision as prohibiting a reprogramming request which would have the effect of restoring funds which had been specifically deleted in the legislative process; that is, the provision is not limited to the denial of an entire project. See GAO report entitled Legality of the Navy's Expenditures for Project Sanguine During Fiscal Year 1974, LCD-75-315 (January 20, 1975).

Under Defense's arrangement as reflected in its written instructions, reprogramming procedures apply to funding shifts between program elements, but not to shifts within a program element. Thus, the denial of a request to reprogram funds from one program element to another does not preclude a military department from shifting available funds within the element. 65 Comp. Gen. 360 (1986). In other words, all funding shifts are not necessarily "reprogrammings." The level at which reprogramming procedures and restrictions will apply depends on applicable legislation, if any, and the arrangements an agency has worked out with its respective committees.

In the absence of a statutory provision such as the Defense provision noted above, a reprogramming which has the effect of restoring funds deleted in the legislative process has been held not legally objectionable. B-195269, October 15, 1979.

Reprogramming frequently involves some form of notification to the appropriations and/or legislative committees. In a few cases, the notification process is prescribed by statute. However, in most cases, the committee review process is non-statutory, and derives from instructions in committee reports, hearings, or other correspondence. Sometimes, in addition to notification, reprogramming arrangements also provide for committee approval. As in the case of transfer, under the Supreme Court's Chadha decision, statutory committee approval or veto provisions are no longer permissible. However, an agency may continue to observe committee approval procedures as part of its informal arrangements, although they would not be legally binding. B-196854.3, March 19, 1984.

[39]E.g., Department of Defense Appropriations Act, 1990, Pub. L. No. 101-165, § 9015, 103 Stat. 1112, 1132 (1989).

In sum, reprogramming procedures provide an element of congressional control over spending flexibility short of resort to the full legislative process. They are for the most part non-binding, and compliance is largely a matter of "keeping faith" with the pertinent committees.

4. General Provisions: When Construed as Permanent Legislation

Appropriation acts, in addition to making appropriations, frequently contain a variety of provisions either restricting the availability of the appropriations or making them available for some particular use. Such provisions come in two forms: (a) "provisos" attached directly to the appropriating language, and (b) general provisions. A general provision may apply solely to the act in which it is contained ("No part of any appropriation contained in this Act shall be used . . ."), or it may have general applicability ("No part of any appropriation contained in this or any other Act shall be used . . .").[40] Provisions of this type are no less effective merely because they are contained in appropriation acts. It is settled that Congress can enact general or permanent legislation in appropriation acts. E.g., United States v. Dickerson, 310 U.S. 554 (1940); Cella v. United States, 208 F.2d 783, 790 (7th Cir. 1953), cert. denied, 347 U.S. 1016; NLRB v. Thompson Products, Inc., 141 F.2d 794, 797 (9th Cir. 1944); 41 Op. Att'y Gen. 274, 276 (1956). General provisions may be phrased in the form of restrictions or positive authority.

As noted in Chapter 1, rules of both the Senate and the House of Representatives prohibit "legislating" in appropriation acts. However, this merely subjects the provision to a point of order and does not affect the validity of the legislation if the point of order is not raised, or is raised and not sustained. Thus, once a given provision has been enacted into law, the question of whether it is "general legislation" or merely a restriction on the use of an appropriation, i.e., whether it might have been subject to a point of order, is academic.

This section deals with the question of when provisos or general provisions appearing in appropriation acts can be construed as permanent legislation.

[40]In recent decades, general provisions of government-wide applicability—the "this or any other act" provisions—have, for the most part, been consolidated in the annual Treasury, Postal Service, and General Government appropriation acts. E.g., Pub. L. No. 101-136, Title VI, 103 Stat. 783, 816 (1989) (fiscal year 1990).

Mr. BONILLA. Mr. Goode.
Mr. GOODE. Can I have one more question?
Mr. BONILLA. Absolutely.

DAM REHABILITATION PRIORITIZATION

Mr. GOODE. To Mr. Rey. We were talking about the dam rehabilitation fund that has 11 million in it. Now, you are spending the money during this fiscal year. Who makes the decision on which dams get rehabilitated? You can't rehabilitate too many with that 11 million.

Mr. REY. Right. The act as passed in 2000 gives us criteria to use in making the prioritization of which dams are first in the queue for rehabilitation. And the ultimate decision, I think, is the Chief of the NRCS.

Mr. REED. Basically we have a diverse committee of folks from the outside that make recommendations, and we try to treat the worst first.

Mr. GOODE. Yeah. That diverse committee, who is on that diverse committee?

Mr. REED. Primarily the NRCS State conservationists or his or her representatives from the various States, plus we have——

Mr. GOODE. So it is at least 50 on the committee?

Mr. REED. No. We don't have watersheds in all of the 50 States.

Mr. GOODE. How many are on the committee?

Mr. REED. I don't know the exact number.

Mr. GOODE. 35?

Mr. REED. 16 States.

Mr. GOODE. How much is it costing you to administer this?

Mr. REED. I can't tell you that off of the top of my head.

Mr. GOODE. Not even a ballpark?

Mr. REED. Well, we have three people working.

Mr. GOODE. It is no more than 2, maybe 1 or 2 percent of it.

Mr. REED. It is more than that when you add up all of the administrative costs associated with contracting and procurement and those kind of things. But the basic leadership to make sure we establish priorities of plan and scale, we have the equivalent of about 2-½ staff years invested in that.

Mr. REY. I think it is also generally a fair proposition to state that the highest priority in rehabilitating dams is where there are downstream threats to humans and property.

Mr. GOODE. I agree.

Mr. BONILLA. Thank you, Mr. Goode.

I am delighted this morning that we have had ample time for every member of the subcommittee to ask all of their questions that they have brought to this hearing. They are juggling several hearings, as Mr. Nethercutt pointed out. This is the appropriation hearing season and we get it done somehow, bounding around, doing votes and all of the other things we need to get done as well. I appreciate you all being here today. You helped us tremendously in getting this process started.

Mr. Rey, Mr. Reed, Ms. Thomas, and Mr. Kaplan, we appreciate your time and we look forward to working with you as we move forward to put this bill together. Thank you very much. This hearing stands adjourned until tomorrow.

WETLANDS RESERVE PROGRAM

Mr. Bonilla: Update the table that appears in last year's hearing records showing, by fiscal year, how many bids were received, how many were accepted, and how many easements have been filed to reflect actuals.

[The information follows:]

YEAR	Appropriation	Acres of Applications	No. of Applications	Acres Enrolled	Land-owners Enrolled	No. of Acres Recorded	No. of Land-owners with easements Recorded
1992-1997	$400 million	1,661,162	12,599	453,686	2,529	437,055	2,523
1998	163 million	532,957	1,859	211,417	1,119	186,621	1,088
1999	105 million	613,997	3,467	119,919	771	104,003	688
2000	154 million	711,432	4,217	149,915	902	61,089	627
2001	148 million	777,819	4,207	139,306	898	115,310	602
Note: Information in the table includes enrollment in cost-share agreements							

Mr. Bonilla: Update the second table that appears in last year's hearing record for the WRP program funded through the Commodity Credit Corporation. Include in the table for the new CCC funded program, a breakout of the number of acres enrolled in permanent easements, the number enrolled in 30-year easements, and the number enrolled as restoration, cost-shared agreements to include fiscal year 2001. Please include any other categories that may apply.

[The information follows:]

Year	No. of States	CCC Apportionment	Acres of Applications	Number of Applications Received	Acres Funded	Number of Applications Funded
2001	Nationwide	$147,557,000				
Permanent			659,206	3,306	108,374	590
30-Year			107,306	647	22,273	153
Restoration Cost-Share Agreement			11,287	254	8,659	155
Total		$147,557,000	777,819	4,207	139,306	898

WETLANDS RESERVE STAFFING AND COSTS

Mr. Bonilla: How many staff years did you use and at what cost to carryout the WRP program in fiscal year 2001?

Response: Based on data in the agency Total Cost Accounting System, the WRP program required 327 staff years at a cost of $29.5 million in FY 2001.

CONSERVATION COMPLIANCE

Mr. Bonilla: Please update the table that appears in last year's hearing record showing the amount appropriated for conservation operations and the amount spent on conservation compliance provisions, to include fiscal; year 2001.

[The information follows:]

Fiscal Year	ConservationOperations ($000)	Conservation Compliance ($000)
1987	$399,671	$165,993
1988	444,391	183,219
1989	465,435	193,347
1990	477,377	198,347
1991	509,509	213,131
1992	564,251	238,960
1993	576,740	245,093
1994	603,408	261,835
1995	612,242	279,158
1996	629,794	251,918
1997	619,961	247,948
1998	623,808	225,650
1999	641,243	232,650
2000	660,812	237,067
2001	712,545	200,225

HEADQUARTERS STAFF

Mr. Bonilla: Have you abandoned your goal of reducing headquarters staff by 50%. Tell the Committee how many headquarters' staff and state staff have been reduced since this goal was initiated. Since this goal was started, how many staff have been reduced at headquarters?

Response: We have not abandoned our goal of reducing headquarters staff. While we have not reached the goal of reducing headquarters' staff by 50%, we have achieved a 26% reduction since the 1993 goal was initiated. Our state staff has been reduced by 33%. This amounts to reductions of 137 staff years for headquarters and 994 staff years for states.

Mr. Bonilla: Please provide a five-year table showing the total number of NRCS employees broken out by headquarters and field to include estimates for fiscal years 2002 and 2003.

[This information follows:]

NRCS STAFF YEAR TABLE
(Headquarters versus Field)

	1998 Actual	1999 Actual a/	2000 Actual	2001 Actual	2002 Est.	2003 Est.
National Hqs.....	370	403	393	417	393	383
Field.....	11,546	11,317	11,079	11,026	10,617	10,373
Total.....	11,916	11,720	11,472	11,443	11,010	10,756

a/ The change in national headquarters from 1998 to 1999 is due to the 1998 reorganization and other program changes (i.e., Farm Bill, Science and Technology, and Strategic Planning)

TECHNICAL CENTERS

Mr. Bonilla: Please provide a five-year table similar to the one that appears in last year's hearing record, showing the personnel and funding level for each of the four regional technical centers and the six new regional offices that were established through reorganization to include fiscal years 2002 and 2003. Also include in this table the amount spent by headquarters to support the institutes.

[The information follows:]

TECHNICAL SERVICE CENTERS AND REGIONAL OFFICES AND INSTITUTES
(Dollars in thousands)

	Staff Years					Funding Levels				
	1999	2000	2001	2002	2003	1999	2000	2001	2002	2003
Northeast NTC-Chester, PA.....	0	0	0	0	0	0	0	0	0	0
South NTC-Fort Worth, TX.....	0	0	0	0	0	0	0	0	0	0
Midwest NTC-Lincoln, NE.....	0	0	0	0	0	0	0	0	0	0
West NTC-Portland, OR.....	0	0	0	0	0	-$9	0	0	0	0
East Region, Beltsville, MD.....	24	22	24	22	20	2,131	$1,985	$2,234	$2,320	$2,146
Midwest Region, Madison, WI.....	21	21	19	17	17	2,740	2,428	2,423	2,332	2,470
Northern Plains, Lincoln, NE.....	19	15	18	20	21	2,100	1,552	2,070	2,531	2,674
S Central Region, Ft Worth, TX.....	13	22	21	22	20	1,224	2,137	2,441	2,675	2,598
Southeast Region, Atlanta, GA.....	25	23	20	18	16	2,409	1,986	2,239	2,157	1,992
West Region, Sacramento, CA.....	19	17	17	18	19	2,366	1,870	2,234	2,382	2,525
Centers/Institutes 1/.....	466	452	452	437	430	61,564	46,673	60,549	56,791	56,629

1/ The centers and institutes are not part of headquarters and none of the funds allocated to headquarters were spent on centers and institutes in fiscal years 1999 through 2003.
NOTE: Funding Levels for 2001, 2002, and 2003 include funds for Retirement/Health Pension Benefits comparability. Negative numbers reflect the recovery of prior year obligations.

STATE AND LOCAL APPROPRIATIONS

Mr. Bonilla: Update the table that appears in last year's hearing record, showing the state and local appropriations for conservation district program activities, to include fiscal year 2001 actuals and fiscal years 2002 and 2003 estimates.

[The information follows:]

CONSERVATION PROGRAM ACTIVITIES
(In thousands of dollars)

Fiscal Year	State government	Local government	NRCS[1]
1986	$158,498	$119,349	$674,327
1987	175,550	132,398	642,995
1988	286,184	151,528	686,560
1989	253,424	140,176	704,103
1990	269,105	238,325	802,499
1991	282,357	231,052	771,967
1992	290,730	203,133	900,196
1993	368,201	165,031	935,917
1994	299,275	202,773	1,260,491
1995	309,297	209,390	832,209
1996	514,851	220,951	940,314
1997	453,813	242,446	1,307,553
1998	709,748	352,985	1,307,367
1999	606,077	278,026	1,214,713
2000	769,806	305,540	1,238,669
2001	$668,296	$284,778	1,449,453
2002 estimate	n/a	n/a	1,150,152
2003 estimate	n/a	n/a	$1,260,880

[1]Includes Emergency Watershed Protection Program appropriations and NRCS programs funded through CCC.

CONSERVATION PROGRAMS FUNDING

Mr. Bonilla: Update the table that appears in last year's hearing record to show the total amount of technical assistance that will be provided to all conservation programs under your jurisdiction, as well as a breakout of the amount transferred from CCC, and the amount to come from your conservation operations appropriation for fiscal years 2002 and 2003.

[The information follows:]

TECHNICAL ASSISTANCE FOR ALL CONSERVATION PROGRAMS
(Dollars in thousands)

Program	FY 2002	FY 2003
NRCS Technical Assistance:		
Conservation Technical Assistance	$657,639	$765,912
Grazing Lands Conservation Initiative	21,500	21,500
Soil Surveys	81,497	89,915
Snow Surveys and Water Supply Forecasting	8,515	9,162
Operation of Plant Materials Centers	9,849	10,701
Watershed Surveys and Planning	10,960	0
Watershed and Flood Prevention Operations	45,514	0
Emergency Watershed Protection	0	23,389
Watershed Rehabilitation Program	6,700	0
Resource Conservation & Development	48,048	51,896
Total, Appropriated	890,222	972,475
Commodity Credit Corporation (CCC):		
Conservation Reserve Program 1/	13,000	0
Wetlands Reserve Program 2/	0	0
Environmental Quality Incentives Program	35,530	38,000
Wildlife Habitat Incentives Program 2/	0	0
Soil and Water Conservation Assistance 3/	0	0
Farmland Protection Program 2/	29	0
Agricultural Management Assistance 2/	1,330	0
Total, CCC	36,889	38,000
Total, NRCS & CCC Combined	$927,111	$1,010,475

1/ FY 2002 funds for CRP are provided from funds available to carry out the EQIP.

2/ FY 2002 and FY 2003 requests no funding for these programs since the Statutory limits for funding or acreage have been reached. Enactment of the new Farm Bill will provide new funding.

3/ The SWCA program was funded for one year only under the Agriculture Risk Protection Act.

SOIL SURVEYS COMPLETED AND PUBLISHED

Mr. Bonilla: How many soil surveys were completed and published in fiscal year 2001 and how many do you expect to publish in fiscal years 2002 and 2003?

Response: In fiscal year 2001, 36 soil surveys were completed and 25 were sent for publishing. During fiscal year 2002, we plan to send about 50 soil surveys to be published. There will be about 30 additional surveys that will be ready to publish if funds are available. In fiscal year 2003, we estimate that we will send about 80 surveys to be published.

GIS ACTIVITIES

Mr. Bonilla: Update the table that appears in last year's hearing record showing the amount spent on GIS activities to include fiscal year 2002.

[The table follows:]

CONTRIBUTIONS TO THE DIGITIZING OF SOILS INFORMATION AND DEVELOPMENT OF DIGITAL ORTHOPHOTOGRAPHY

	Digitize Soils ($ millions)		Digital Orthophotography ($ millions)		
Year	NRCS	Other Federal & State Agencies	NRCS	USGS[1/]	Other Federal & State Agencies
1990	$0.2	$0.5	$0.05	--	$0.5
1991	0.2	0.6	0.1	--	1.0
1992	0.2	1.0	0.2	--	2.0
1993	0.25	2.0	0.25	$2.9	2.0
1994	0.5	3.0	2.5	3.7	2.0
1995	5.0	4.0	5.0	8.2	4.0
1996	5.0	4.0	5.0	12.4	28.0
1997	10.0	5.0	7.5	14.5	16.0
1998	7.5	5.0	6.2	10.0	16.0
1999	7.5	5.0	5.25	10.0	16.0
2000	7.5	5.0	2.9	12.2	10.8
2001	7.5	5.0	1.3	7.3	4.7
2002*	7.5	5.0	0.11	11.0	1.0

USGS's matching fund contributions to the program. These figures do not include some of their in-house costs for gathering government provided materials and information in support of contracting for digital orthophotography or in-house production of digital orthophotography.
* Estimated

NATIONAL SOIL INFORMATION SYSTEM

Mr. Bonilla: Please bring the Committee up to date on the National Soil Information System.

Response: The National Soil Information System, currently installed as NASIS Version 5.0, is operational and is based in Fort Collins, Colorado. More than 1,000 scientists throughout the National Cooperative Soil Survey use NASIS to electronically manage and distribute map unit data profile descriptions and soil interpretations.

The next release of the National Soil Information System, NASIS 5.1, is in the final stages of testing and will be implemented in March 2002. This is an interim release that addresses interpretations of soils with missing data, and further streamlines the capability to export data from NASIS in the new SSURGO format. A Windows-based data collection program for point and site soils data will be delivered early in March. We anticipate completing the analysis for the implementation of a Soil Data Warehouse the end of March 2002. Upon implementation in early FY 2003, this will provide for web-based public access to all of our soil survey data.

REIMBURSEMENTS FOR SOIL SURVEYS

Mr. Bonilla: Update the table that appears in last year's record to include estimates for fiscal years 2002 and 2003.

[The information follows:]

REIMBURSEMENTS FOR SOIL SURVEYS
(In thousands of dollars)

Fiscal Year	Other Federal	State & Local Government	Private Entities
1997	$1,993	$2,798	$271
1998	2,438	3,027	129
1999	3,637	3,328	102
2000.	2,809	3,670	103
2001	2,760	3,889	313
2002 est ...	3,230	4,015	325
2003 est ...	3,230	4,015	325

PLANT MATERIALS CENTERS

Mr. Bonilla: Please update the table that appears in last year's hearing record, showing the plant materials centers annual operating costs, to reflect fiscal year 2001 actuals and fiscal years 2002 and 2003 estimates.

Response: The table has been updated to reflect Plant Materials Centers (PMC) operating costs. Figures include staff costs, facility and equipment maintenance, and normal operating expenses. FY 2002 estimates are based on funds available from Plant Materials program funds. FY 2003 estimates are based on what is needed for normal operations.

PLANT MATERIAL CENTERS FUNDING

PMC Location	2001 Actual	2002 Estimate	2003 Estimate
		($000)	
Tucson, Arizona	$170	$144	$292
Booneville, Arkansas	210	175	315
Lockeford, California	234	194	365
Brooksville, Florida	218	257	337
Americus, Georgia	270	227	411
Molokai, Hawaii	554	590	315
Aberdeen, Idaho	288	256	421
Manhattan, Kansas	260	227	416
Golden Meadow, Louisiana	243	444	292
Beltsville, Maryland	353	407	506
East Lansing, Michigan	222	208	337
Coffeeville, Mississippi	399	559	506
Elsberry, Missouri	299	258	394
Bridger, Montana	284	229	416
Cape May, New Jersey	247	206	337
Big Flats, New York	302	256	416
Corvallis, Oregon	263	671	365
TEXAS TOTAL (3 Plant Centers)	567	768	956
Pullman, Washington	241	217	394
Beckley, West Virginia	344	299	337
Operated by Cooperating Agencies or others with NRCS Assistance:			
Earmark to DE (Delaware State University)	289	290	
Earmark to Palmer, Alaska	649	700	
Meeker, Colorado	128	128	112
Los Lunas, New Mexico	271	217	394
Bismarck, North Dakota	291	273	394
Total, Plant Materials Centers	7,596	8,200	9,028
Others	1,613	1,962	1,673
Total Obligated or estimate*	$9,209	$10,162	$10,701

*Includes National Headquarters, National Plant Data Center, Regional Offices and funds currently not allocated.

NEW PLANT MATERIALS RELEASES

Mr. Bonilla: Did you release any new plants in 2001? If so, please provide a brief description of each. What were the costs associated with these new releases?

Response: Twenty-four new plants were released during fiscal year 2001. There were one tested release, seven selected releases, and sixteen source-identified releases. Brief descriptive information is provided below for each one. Costs for these releases are estimated at $9.7 million for FY 2001.

[The information follows:]

NEW PLANT RELEASES LIST

Tested Releases

Morton Germplasm kori-yanagi willow (*Salix koriyanagi*) was released by the Jamie L. Whitten Plant Materials Center, MS. Attributes and Uses: Introduced, upright, multi-branched shrub to 13'; a tested release; selected for vigor, form, and freedom from diseases and insects; especially useful in the southern US where canker diseases are a problem on other willow cultivars ('Bankers' and 'Streamco' willows); used for stream bank control, riparian buffers, urban conservation, basket making, and wildlife habitat; adapted to USDA plant hardiness zones 5-8. [plant symbol=SAKO3]

Selected Releases

Baskett Slough Germplasm California oatgrass (*Danthonia californica*) was released by the Corvallis Plant Materials Center, OR. Attributes and Uses: Native, perennial, cool-season bunchgrass to 3' tall, long-lived; a selected release; selected for good vigor and higher seed production; used for erosion control, critical area stabilization, grassland and prairie restoration, rangeland and woodland plantings, and wildlife habitat; adapted to Willamette Valley, OR, western OR, and southwest WA. [plant symbol=DACA3]

Foothills Germplasm Canada bluegrass (*Poa compressa*) was released by the Bridger Plant Materials Center, MT. Attributes and Uses: Introduced, cool-season, perennial bunchgrass; a tested release; selected for stand, vigor, forage production, ground cover, ability to spread, and seed production; especially useful on low-fertility and medium acidic sites and at high-elevation sites; used for erosion control, critical area plantings, recreation areas, low-maintenance landscapes, and for forage and grazing; adapted to the mountains and foothills of the northern Rocky Mountain region in the US and Canada. [plant symbol=POCO]

Grant Germplasm cane bluestem (*Bothriochloa barbinodis*) was released by the Los Lunas Plant Materials Center, NM. Attributes and Uses: Native, perennial, warm-season bunchgrass to 6' tall; a selected release; selected for superior forage and seed yield; used for erosion control, wildlife habitat, restoration of disturbed sites, forage, rangeland seedings, and xeriscaping; this species is very drought tolerant; adapted to the southwestern US. [plant symbol=BOBA3]

Itasca Germplasm little bluestem (*Schizachyrium scoparium*) was released by the Bismarck Plant Materials Center, ND. Attributes and Uses: Native, perennial, warm-season bunchgrass; a selected release; selected for vigor, leafiness, plant size, and disease resistance; used as a component in native range seedings, wildlife plantings, and prairie landscaping; intended area of use is the Upper Midwest and Northern Great Plains. [plant symbol=SCSC]

Northern Cold Desert Germplasm winterfat (*Krascheninnikovia lanata*) was released by the Aberdeen Plant Materials Center, ID. Attributes and Uses: Native, deciduous, upright shrub to 2' tall; a selected release; selected for tolerance to cold temperatures, used for rangeland restoration, erosion control, and for livestock and big-game browse in arid to semi-arid and

alkaline/saline areas; adapted to northern parts of the Intermountain western US. [plant symbol=KRLA2]

Snake River Plains Germplasm fourwing saltbush (*Atriplex canescens*) was released by the Aberdeen Plant Materials Center, ID. Attributes and Uses: Native, upright shrub to 6' tall; a selected release; selected for tolerance to cold temperatures; used for rangeland restoration, erosion control, and for livestock and big-game browse in arid to semi-arid and alkaline/saline areas; adapted to northern parts of the Intermountain western US. [plant symbol=ATCA2]

Tusas Germplasm bottlebrush squirreltail (*Elymus elymoides*) was released by the Los Lunas Plant Materials Center, NM. Attributes and Uses: Native, perennial, cool-season bunchgrass, often short-lived; a selected release; selected for vigor, late flowering, and seed yield; used for erosion control, wildlife habitat, restoration of disturbed sites, fire restoration seedings, and rangeland seedings; effective in competing with annual invasive grasses such as medusahead wildrye and cheatgrass; adapted to the southwestern US. [plant symbol=ELEL5]

Source-identified Releases

Caminada Germplasm seacoats (*Uniola paniculata*) was released by the Golden Meadows Plant Materials Center, LA. Attributes and Uses: Native, perennial, warm-season grass; released for use in coastal restoration, and beach dune and barrier island stabilization; selected as a local ecotype that demonstrated exceptional survival, growth, and persistence; propagated by division; intended for the north central Gulf of Mexico coast, primarily west of the Mississippi River. [symbol=UNPA]

Glacial Lake Albany Germplasm wild lupine (*Lupinus perennis*) was released by the Big Flats Plant Materials Center, NY. Attributes and Uses: Native, perennial wildflower with showy blue spikes of pea-like flowers; a source-identified release; material did not undergo a selection process; used for butterfly habitat restoration or enhancement, landscaping, dry site meadows, and roadside plantings; intended for Albany, NY and surrounding areas. [plant symbol=LUPE3]

Glacial Lake Albany Germplasm butterfly weed (Asclepias tuberosa) was released by the Big Flats Plant Materials Center, NY. Attributes and Uses: Native, perennial wildflower with showy orange flowers; a source-identified release; materials did not undergo a selection process; used for butterfly habitat restoration or enhancement, landscaping, dry site meadows, and roadside plantings; intended for Albany, NY and surrounding areas. [plant symbol=ASTU]

Northern Iowa Germplasm big bluestem (*Andropogon gerardii*) was released by the Elsberry Plant Materials Center, MO. Attributes and Uses: Native, perennial warm-season bunchgrass; a source-identified release; materials did not undergo a selection process; used for roadside plantings, prairie restoration and enhancement, landscaping, and for increasing species diversity; intended for northern IA. [plant symbol=ANGE]

Northern Iowa Germplasm roundhead lespedeza (*Lespedeza capitata*) was released by the Elsberry Plant Materials Center, MO. Attributes and Uses:

Native, perennial warm-season legume; a source-identified release; materials did not undergo a selection process; used for roadside plantings, prairie restoration and enhancement, landscaping, and for increasing species diversity; intended for northern IA. [plant symbol=LECA8]

Northern Iowa Germplasm tall dropseed (*Sporobolus compositus* var. *compositus*) was released by the Elsberry Plant Materials Center, MO. Attributes and Uses: Native, perennial warm-season bunchgrass to 4' tall; a source-identified release; used for roadside plantings and prairie restoration and enhancement; intended for northern IA. [plant symbol=SPCOC2]

Northern Missouri Germplasm prairie coreopsis (*Coreopsis palmata*) was released by the Elsberry Plant Materials Center, MO. Attributes and Uses: Native, perennial wildflower to 3' tall; a source-identified release; used for roadside plantings and prairie restoration and enhancement; intended adaptation is northern MO. [plant symbol=COPA10]

Northern Missouri Germplasm thickspike gayfeather (*Liatris pycnostachya*) was released by the Elsberry Plant Materials Center, MO. Attributes and Uses: Native, perennial wildflower to 5' feet tall; a source-identified release; used for roadside plantings and prairie restoration and enhancement; intended adaptation is northern MO. [plant symbol=LIPY]

Northern Missouri Germplasm tall dropseed (*Sporobolus compositus* var. *compositus*) was released by the Elsberry Plant Materials Center, MO. Attributes and Uses: Native, warm-season, perennial bunch grass; a source-identified release; used for roadside plantings and prairie restoration and enhancement; intended use in northern MO [plant symbol=SPCOC2]

Southern Iowa Germplasm thickspike gayfeather (*Liatris pycnostachya*) was released by the Elsberry Plant Materials Center, MO. Attributes and Uses: Native, perennial, warm-season wildflower; a source-identified release; used for roadside plantings and prairie restoration and enhancement; intended for use in southern IA. [plant symbol=LIPY]

Southlow Michigan Germplasm big bluestem (*Andropogon gerardii*) was released by the Rose Lake Plant Materials Center, MI. Attributes and Uses: Native, perennial, warm-season bunchgrass; a source-identified release; materials did not undergo a selection process; used for wildlife food and cover, erosion control, restoring native plant environments, and increasing species diversity; intended for the southern half or MI lower peninsula. [plant symbol=SONU2]

Southlow Michigan Germplasm switchgrass (*Panicum virgatum*) was released by the Rose Lake Plant Materials Center, MI. Attributes and Uses: Native, perennial, warm-season bunchgrass; a source-identified release; materials did not undergo a selection process; used for wildlife food and cover, erosion control, restoring native plant environments, and increasing species diversity; intended for the southern half of MI lower peninsula. [plant symbol=PAVI2]

Southlow Michigan Germplasm little bluestem (*Schizachyrium scoparium*) was released by the Rose Lake Plant Materials Center, MI. Attributes and Uses:

Native, perennial, warm-season bunchgrass; a source-identified release; material did not undergo a selection process; used for wildlife food and cover, erosion control, restoring native plant environments, and increasing species diversity; intended for the southern half of the MI lower peninsula. [plant symbol=SCSC]

Southlow Michigan Germplasm indiangrass (*Sorghastrum nutans*) was released by the Rose Lake Plant Materials Center, MI. Attributes and Uses: Native, perennial, warm-season bunchgrass; a source-identified release; materials did not undergo a selection process; used for wildlife food and cover, erosion control, restoring native plant environments, and increasing species diversity; intended for the southern half of MI lower peninsula. [plant symbol=SONU2]

Western Missouri Germplasm thickspike gayfeather (*Liatris pycnostachya*) was released by the Elsberry Plant Materials Center, MO. Attributes and Uses: Native, perennial, warm-season wildflower; a source-identified release; used for roadside planting and prairie restoration and enhancement; intended for use in western MO. [plant symbol=LIPY]

Western Missouri Germplasm prairie coreopsis (*Coreopsis palmata*) was released by the Elsberry Plant Materials Center, MO. Attributes and Uses: Native, perennial wildflower to 3' tall; a source-identified release; used for roadside plantings and prairie restoration and enhancement; intended adaptation is western MO. [plant symbol=COPA10]

ROYALTY COLLECTIONS FOR PLANT MATERIALS

Mr. Bonilla: Please provide a current update on the status of royalty collections for new plant releases and how much has been collected to date.

Response: There has been no effort to obtain royalty collections for new plant releases. The process of obtaining royalties through the Plant Variety Protection Act applies only to releases at the cultivar level. The plant materials program had no cultivar releases in FY 2001. Emphasis in plant materials is currently placed on tested, selected, and source identified releases in order to make materials available to end-users sooner. Because there were no cultivar releases in FY 2001, there were no funds to collect.

STATE AND LOCAL FUNDING

Mr. Bonilla: Update the table that appears in last year's hearing record, showing the level of funding provided by state and local governments, and other public or private entities to finance watershed planning activities, to include fiscal years 1998-2002.

[The information follows:]

NON-FEDERAL CONTRIBUTIONS FOR WATERSHED PLANNING

Fiscal Year	State-Government	Local-Government	Private
1998	$9,800,055	$13,750,729	$353,510
1999	11,413,242	13,289,382	1,177,928
2000	23,967,443	6,971,560	2,306,467
2001	6,393,408	5,176,309	5,725,476
2002*	n/a	n/a	n/a

*NRCS now collects the data as obligations, not budget authority, so amounts will not be available until the end of the year.

FLOODPLAIN EASEMENTS

Mr. Bonilla: The 1996 farm bill amended the Agricultural Credit Act of 1978 to allow for the purchase of flood plain easements. Last year, you conducted a pilot test. Has this authority been used yet? What states are part of the program and how many acres have been enrolled in each state?

Response: A list of the 17 states where NRCS has utilized this authority to implement a pilot test program since 1997 will be provided for the record.

[The information follows:]

FLOODPLAIN EASEMENTS

STATE	ACRES ENROLLED
Arkansas	4,169
California	6,515
Colorado	1,248
Idaho	74
Illinois	9,431
Indiana	3,543
Iowa	17,143
Louisiana	7,654
Minnesota	5,213
Missouri	6,846
Montana	1,759
Nebraska	2,196
North Dakota	15,104
Oregon	278
South Dakota	47,598
Tennessee	1,260
Virginia	8
TOTAL ACRES	130,039

PROGRAM EVALUATION STUDIES

Mr. Bonilla: How many program evaluation studies were carried out in fiscal year 2001? How many are planned for fiscal year 2002? What was the cost to conduct these studies in fiscal year 2001 and estimated fiscal year 2002? What is the purpose of the studies?

Response: In 2001, NRCS national teams conducted 29 management, oversight, and program reviews at an estimated cost of $185,000. To reduce costs, in 2002, 22 reviews were combined into 14 joint reviews at an estimated cost of $40,000. The review purposes vary, but collectively they encompass evaluation of overall management; adherence to policy, laws, executive orders; and civil rights program compliance. NRCS did not conduct any full-scale, national program evaluation studies during 2001 nor have any been planned for 2002.

CURRENT STATUS OF PL-534 PROJECTS

Mr. Bonilla: Update the table that appears in last year's hearing record, showing the current status of the authorized PL-534 projects. Were any projects added in fiscal year 2001.

Response: No additional P.L. 534 projects were added during fiscal year 2001, nor are any proposed to be added. The estimated completion dates are dependent upon available funding.

CURRENT STATUS OF P.L. 534 PROJECTS

Watershed projects	Location	Size in Square Miles	Status
Buffalo Creek	New York	437	Completed
Coosa River	Georgia & Tennessee	4,020	Completed
Little Sioux	Iowa & Minnesota	4,502	Completed by 2041
Little Tallachatchie	Mississippi	1,355	Completed by 2010
Los Angeles	California	839	Completed by 2003
Middle Colorado	Texas	7,189	Completed by 2005
Potomac	Virginia, West VA, MD & PA	11,560	Completed by 2005
Santa Ynes	California	900	Completed by 2003
Trinity	Texas	17,634	Completed by 2004
Washita	Texas & Oklahoma	8,108	Completed by 2005
Yazoo	Mississippi	8,108	Completed by 2010

WATERSHED AND FLOOD PREVENTION OPERATIONS

Mr. Bonilla: Provide a geographic breakdown of obligations and staff years for the Watershed and Flood Prevention Operations in fiscal year 2001 and estimates for the fiscal year 2002 appropriation. Please break out the obligation data between technical assistance and financial assistance.

[The information follows:]

WATERSHED AND FLOOD PREVENTION OPERATIONS GEOGRAPHIC BREAKDOWN

	FY 2001			FY 2002		
	Technical Assistance	Financial Assistance	Staff Years	Technical Assistance	Financial Assistance	Staff Years
Alabama	$1,266,141	$3,622,725	13	$450,300	$92,000	5
Alaska	646,594	1,811,324	4	339,100	1,172,000	2
Arizona	1,857,409	7,324,020	19	1,007,100	591,838	10
Arkansas	1,634,408	6,474,385	15	1,355,500	1,085,100	12
California	2,667,164	16,929,433	29	1,503,000	3,079,000	16
Colorado	478,967	1,750,505	6	246,700	215,212	3
Connecticut	440,376	--	4	381,200	--	3
Delaware	286,766	475,689	3	312,900	36,701	3
Florida	1,207,701	3,167,404	15	885,100	1,666,434	11
Georgia	623,973	2,205,024	7	530,400	190,000	6
Hawaii	2,060,786	5,284,054	11	1,593,500	1,750,000	8
Idaho	396,270	927,035	5	331,200	102,360	4
Illinois	1,402,195	5,657,098	16	972,900	10,540,500	11
Indiana	455,556	1,380,391	5	538,400	883,100	6
Iowa	1,480,608	10,992,529	21	1,678,500	4,418,664	23
Kansas	291,577	1,008,922	4	722,700	1,550,094	10
Kentucky	605,984	994,642	7	614,500	148,481	7
Louisiana	1,457,804	4,646,431	18	1,009,800	250,000	12
Maine	333,475	303,600	4	261,200	81,000	3
Maryland	364,328	1,685,065	3	328,000	104,945	3
Massachusetts	540,382	749,410	5	397,800	110,760	4
Michigan	454,573	296,561	5	430,300	20,000	5
Minnesota	1,723,147	5,418,613	23	606,500	6,188,500	8
Mississippi	2,687,123	14,454,569	42	2,573,200	5,775,765	39
Missouri	2,278,995	4,551,847	29	3,951,200	5,604,553	49
Montana	390,138	509,859	5	273,500	115,000	3
Nebraska	1,008,751	2,452,992	12	860,600	341,000	10
Nevada	433,625	460,389	4	418,300	--	4
New Hampshire	218,539	--	2	234,100	--	2
New Jersey	277,005	14,019	3	204,100	--	2
New Mexico	1,591,122	2,678,136	17	1,266,800	6,777,000	13
New York	1,346,781	776,349	15	838,600	593,000	9
North Carolina	3,546,518	10,465,087	37	990,600	1,885,000	10
North Dakota	1,027,047	6,846,586	13	708,200	276,768	9
Ohio	1,089,669	648,945	7	401,200	766,000	3
Oklahoma	5,948,649	18,787,750	70	2,969,070	4,746,804	34
Oregon	562,573	875,408	7	381,300	109,000	5
Pacific Basin	549,833	1,050,000	5	488,300	--	4
Pennsylvania	1,010,479	2,605,441	11	991,800	1,215,581	11
Puerto Rico	275,658	41,000	3	276,200	--	3
Rhode Island	528,458	16,900	3	148,100	60,000	1
South Carolina	466,994	527,399	4	667,400	--	6
South Dakota	585,370	3,008,178	6	192,600	916,371	2
Tennessee	1,062,148	1,647,641	13	1,559,200	847,000	19
Texas	4,085,694	9,459,267	46	3,930,350	10,645,905	44
Utah	285,458	4,487,383	3	198,100	72,250	2
Vermont	451,116	726,210	6	442,400	74,000	6
Virginia	1,006,674	1,256,156	11	819,600	60,715	9
Washington	560,100	11,596	5	548,500	98,000	5

	FY 2001			FY 2002		
	Technical Assistance	Financial Assistance	Staff Years	Technical Assistance	Financial Assistance	Staff Years
West Virginia...	2,390,506	10,309,129	26	3,634,000	6,577,354	39
Wisconsin.....	$594,954	$758,996	5	$107,100	$54,000	1
Wyoming.....	770,031	1,155,999	8	702,700	59,829	7
East Region.....	146,619	--	1	305,400	--	2
Midwest Region..	--	--	--	--	--	--
Northern Plains Region.....	--	--	--	--	--	--
South Central Region.....	166,017	--	2	225,300	--	3
Southeast Region	139,919	--	1	286,900	--	2
West Region.....	--	--	--	--	--	--
Centers and Institutes....	5,281,386	--	22	2,473,000	--	13
National Hqtrs..	1,269,072	375,181	34	4,384,200	--	15
Forest Service..	-76,851	--	--	--	--	--
Undistributed...	--	--	--	4,664,120	54,977,448	40
TOTAL.....	66,632,354	184,063,272	720	59,612,640	136,925,032	601

Note: Technical Assistance includes $4,046,000 in Fiscal Year 2001 and $4,246,000 in Fiscal Year 2002 for Retirement/Health Pension Benefits comparability. Negative numbers represent prior year deobligations.

WATERHED AND FLOOD PREVENTION UNOBLIGATED BALANCE

Mr. Bonilla: What is the current unobligated balance in the watershed and flood prevention operations account? How much of the unobligated balance is committed? Provide a table for the record, by state and dollar amount, of the committed funds. What percentage does " others" represent?

Response: The current unobligated balance in the watershed and flood prevention operations account is $162,970,694 as of 3/5/02. $14,106,585 is for flood prevention, operations, $81,720,311 is for small watershed operations, $66,512,166 is for the emergency watershed protection program, and $631,632 is for John's Creek Watershed Project.

NRCS has commitments for $162,339,062 of the unobligated balance. A state-by-state table is provided for the record. " Others" represents 4.7% of the total commitments.

There is an unobligated balance of $631,632 in the account that was specifically appropriated for the John's Creek Watershed Project in Tennessee.

[The information follows:]

WATERSHEDS SUMMARY

STATE	COMMITTED
ALABAMA	3,672,121
ALASKA	1,372,154
ARIZONA	1,836,311
ARKANSAS	4,281,996
CALIFORNIA	4,239,568
COLORADO	489,992
CONNECTICUT	203,855
DELAWARE	248,659
FLORIDA	2,040,164
GEORGIA	623,982
HAWAII	3,048,197
IDAHO	299,538
ILLINOIS	10,329,478
INDIANA	1,188,226
IOWA	6,283,140
KANSAS	1,988,111
KENTUCKY	537,977
LOUISIANA	6,459,321
MAINE	217,246
MARYLAND	651,708
MICHIGAN	327,632
MINNESOTA	6,636,300
MISSISSIPPI	8,696,411
MISSOURI	7,988,172
MONTANA	354,247
NEBRASKA	953,268
NEVADA	340,720
NEW HAMPSHIRE	198,736
NEW JERSEY	125,094
NEW MEXICO	11,935,300
NEW YORK	1,079,186
N CAROLINA	7,398,425
N DAKOTA	882,309
OHIO	3,059,901
OKLAHOMA	13,665,576
OREGON	411,154
PENNSYLVANIA	1,981,011
RHODE ISLAND	393,628
S CAROLINA	610,365
S DAKOTA	1,131,373
TENNESSEE	2,327,486
TEXAS	17,460,206
UTAH	451,337
VERMONT	328,166
VIRGINIA	550,240
WASHINGTON	485,909
WEST VIRGINIA	8,751,215
WISCONSIN	5,132,584
WYOMING	445,871
OTHERS	7,584,657
GRAND TOTAL	$162,339,062

EMERGENCY WATERSHED PROGRAM

Mr. Bonilla: Please update the table that appears in last year's hearing record, showing the funding history of the Emergency Watershed Program, to include fiscal year 2001 actuals and fiscal years 2002 and 2003 estimates.

[The information follows:]

EMERGENCY WATERSHED PROTECTION PROGRAM
(In thousands of dollars)

Fiscal Year	Budget authority	Outlays	Unobligated balance
1982.....	10,000	9,395	6,478
1983.....	22,500	15,362	12,981
1984.....	22,000	17,547	15,713
1985.....	5,000	19,912	4,822
1986.....	79,732	39,903	34,625
1987.....	14,755	46,116	10,385
1988.....	13,500	26,980	11,719
1989.....	10,000	24,318	6,695
1990.....	94,855	58,426	33,817
1991.....	20,000	65,462	14,036
1992.....	70,028	30,870	7,821
1993.....	73,144	64,429	50,226
1994.....	349,973	92,300	289,984
1995.....	0	120,546	133,166
1996.....	80,517	73,167	74,464
1997.....	229,000	144,667	181,085
1998.....	80,000	132,320	131,085
1999.....	95,000	109,339	72,649
2000.....	84,000	156,075	61,838
2001.....	146,531	89,840	81,209
2002 estimate.....	1,337	101,114	0
2003 estimate.....	111,389	120,827	0

Note: Includes $1,273,000 in Fiscal Year 2001, $1,337,000 in Fiscal Year 2002, and $1,389,000 in Fiscal Year 2003 for Retirement/Health Pension Benefits comparability.

SMALL WATERSHED CONSTRUCTION PROJECTS

Mr. Bonilla: Please provide a list of all new small watershed construction projects started in fiscal year 2001, and those planned to start in fiscal year 2002. Include the Federal and non-Federal cost of each project?

Response: A list of the projects that were started in fiscal year 2001 and those that have been approved to date in fiscal year 2002 will be provided for the record.

[The information follows:]

SMALL WATERSHED CONSTRUCTION PROJECTS

FY 2001

STATE	NAME	COSTS		
		FEDERAL	LOCAL	TOTAL
Minnesota	Snake River	$8,702,000	$3,581,000	$12,283,000
Pennsylvania	Indian Creek	2,037,000	2,129,000	4,166,000
Michigan	Stony Creek	1,342,575	585,925	1,928,500
Colorado	Holbrook Lake Ditch	1,597,900	788,300	2,386,200
Oregon	Lower Tillamook Bay	6,388,796	1,637,330	8,026,126
TOTAL		$20,068,271	$8,721,555	$28,789,826

FY 2002

STATE	NAME	COSTS		
		FEDERAL	LOCAL	TOTAL
Following projects administratively authorized				
Tennessee	Hickory Creek	$1,897,737	$1,021,858	$2,919,595
Idaho	Scott's Pond	5,056,210	4,228,720	9,284,930
Virginia	Little Reed Island Creek	7,312,700	1,614,100	8,926,800
Following projects to be administratively authorized				
North Carolina	Newfound and Sandymush Creeks	$1,182,439	806,729	1,989,168
Delaware	Broad Creek	2,228,200	524,800	2,753,000
Arizona	San Carlos	5,853,500	2,765,300	8,618,800
Nebraska	Duck and Buck Creeks	1,494,295	347,753	1,842,048
6 States	Presently 6 projects are being developed and should be approved in FY-2002	15,000,000	4,000,000	19,000,000
Following projects waiting congressional authorization				
Virginia	Buena Vista	6,552,000	640,000	7,192,000
Arkansas	Departee Creek	1,835,500	344,000	2,179,500
TOTAL		$48,412,581	$16,293,260	$64,705,841

Mr. Bonilla: What is the status of the NRCS work on reviewing all authorized watershed projects to update and either modify or delete backlogged projects?

Response: Following is a list of the modified or deleted projects in fiscal year 2001 and so far in fiscal year 2002.

WATERSHED PROJECTS MODIFIED OR DELETED DURING FY 2001

STATE	PROJECT NAME	DATE
TEXAS	THREE MILE AND SULFER DRAW	09/01
TEXAS	RUSH CREEK	12/00
TEXAS	HITSON; C&L AND WASHBURN DRAWS	09/01
MISSOURI	MOZINGO CREEK	01/01
MICHIGAN	BARAGA VILLAGE	12/00
GEORGIA	UPPER FIFTEEN-MILE CREEK	07/01
GEORGIA	SHOAL CREEK	07/01
GEORGIA	HORSE CREEK	07/01
GEORGIA	CASON BRANCH-DUHART CREEK	07/01
GEORGIA	BEAVER CREEK	07/01

Mr. Bonilla: Please update the table that appears in last year's hearing record showing, for the Resource Conservation and Development program, the amount of Federal and non-Federal funds provided for technical assistance to reflect fiscal year 2001 actual and fiscal year 2002 and 2003 estimates.

[The information follows:]

RC&D FEDERAL AND NON-FEDERAL ASSISTANCE

Year	Financial Federal	Technical Federal	Non-Federal Assistance
1990.....	$4,200,061	$23,145,385	$108,073,000
1991.....	3,947,428	24,339,421	160,465,000
1992.....	2,234,289	31,383,945	131,132,000
1993.....	2,048,298	30,795,181	75,102,000
1994.....	2,401,326	31,472,850	71,936,000
1995.....	1,402,613	30,799,303	80,387,000
1996.....	262,571	29,169,517	89,230,000
1997.....	48,517	28,688,415	267,115,000
1998.....	259,468	32,560,479	350,076,000
1999.....	398,000	35,000,000	192,994,475
2000 (1).....	(67,292)	35,265,000	117,817,000
2001 (2).....	79,825	41,923,000	103,244,000
2002.....	0	48,048,000	100,000,000
2003 est.....	0	52,031,000	100,000,000

(1) De-obligation of $67,292.
(2) Partial information from new RC&D reporting system for Non-Federal Assistance.

Mr. Bonilla: Also, update the table showing the number of RC&D projects that were initiated, completed, and those ongoing, to include fiscal year 2001 actual and fiscal years 2002 and 2003 estimates.

[The information follows:]

RC&D MEASURES ADOPTED, PLANNED, AND COMPLETED

Year	Adopted	Planned	Completed
1984.....	2,215	438	1,500
1985.....	1,392	123	1,103
1986.....	1,602	58	1,053
1987.....	1,487	77	1,188
1988.....	1,647	53	1,303
1989.....	1,178	347	661
1990.....	1,642	1,114	1,251
1991.....	1,919	1,314	1,303
1992.....	2,381	1,762	1,417
1993.....	2,382	1,765	1,691
1994.....	2,712	675	1,984
1995.....	2,280	1,942	1,848
1996.....	2,777	2,156	2,342
1997.....	2,752	2,514	2,189
1998.....	3,119	2,965	2,815
1999(1).....	3,245	5,141 (2)	2,151
2000	2,173	5,650 (2)	2,658
2001 est.....	2,978	7,732 (2)	3,043
2002 est.....	3,000	5,000	3,000
2003 est.....	3,000	5,000	3,000

(1) Data for 1999 and 2000 is estimate only. NRCS has begun a new web-based reporting system that is not fully operational. Also, many RC&D offices were unable to report complete data because they do not yet have the equipment or ability to access the Internet. NRCS is continuing to address this issue and we expect to have the ability for full reporting by the end of this fiscal year for the RC&D program.

(2) Reporting has changed to document the number of ongoing projects. This number reflects the number of ongoing projects that span more than one year.

RESOURCE CONSERVATION AND DEVELOPMENT LOANS

Mr. Bonilla: Have you been able to show any improvement in the number of outstanding borrowers over the period of 1998-2002? Provide a five-year table showing the number of outstanding loans and the outstanding balance per year.

Response: Each year the amount of funds has decreased. This program has not been funded for new loans since 1992.

Year	Number of Outstanding Loans	Outstanding Balance
1998	70	$2,980,000
1999	62	2,407,000
2000	54	2,031,000
2001	46	1,691,000
2002 est	46	1,691,000

Mr. Bonilla: Please update the table that appears in last year's hearing record, showing the funding level of water quality incentives, to reflect fiscal year 2001 actuals and fiscal years 2002 and 2003 estimate.

[The information follows:]

FUNDING FOR WATER QUALITY INCENTIVES FISCAL YEARS 1996-2003
(Dollars in millions)

							Estimates	
	1996	1997	1998	1999	2000	2001	2002	2003*
Technology development	$7.8	$7.8	$7.8	$7.6	$7.0	$6.8	$6.0	$6.0
Regional projects	11.6	12.0	12.0	12.2	10.8	11.4	12.2	12.2
Hydrologic areas	10.5	5.0	5.0	2.5	0.0	0.0	0.0	0.0
Demonstration areas	3.7	2.0	2.0	1.0	0.0	0.0	0.0	0.0
Ongoing projects	13.0	20.1	20.8	23.7	29.3	28.8	25.0	25.0
Special projects	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	$47.2	$46.9	$46.6	$47.0	$47.1	$47.0	$43.2	$43.2

* Estimated fiscal year 2003 funding for these water quality investments is based on an assumption of level funding with the amount available for FY2002.

Mr. Bonilla: Provide some examples in each of the categories displayed on the table.

Response: Some examples of efforts supported through this funding are provided.

[The information follows:]

EXAMPLES OF WATER QUALITY INCENTIVES

Technology Development
Manure Management Planner (MMP) – this technology provides a comprehensive, easy to use nutrient management planning tool for field office use to assist agricultural producers in the development of nutrient management plans. The MMP provides for State specific application at the county level by utilizing State and NRCS developed databases; nutrient management planning – through the Chesapeake Bay Program interface, NRCS has provided leadership in implementation of over 1.5 million acres of nutrient management planning in the watershed, and assisting in the implementation of over 2,000 animal waste management systems to help protect the Bay.

Water conservation – through regional efforts under the Gulf of Mexico Program, water quantity increases to the Edwards Aquifer have been determined to be 35,000 to 55,000 gallons of water per acre per year. Through the adoption of a wide variety of conservation practices over the aquifer, including integrated brush management program on rangeland modifying pesticide application techniques, and improved irrigation water management on cropland, chemical loading to the aquifer and watershed has been significantly reduced.

Chesapeake Bay Program
The Natural Resources Conservation Service has been an active partner in the Chesapeake Bay Program since the late 1970's when scientific and estuarine research on the Bay pinpointed three areas requiring attention: nutrient over-enrichment; dwindling underwater grasses and toxic pollution. Since that time NRCS has been a signer of the two Federal Agency Agreements, one in 1994 and again in 1998.

NRCS provides accelerated technical assistance in the six states that drain into the Chesapeake Bay. These States include Delaware, Maryland, New York, Pennsylvania, Virginia and West Virginia.

NRCS, along with local conservation districts, provides an important role in the Chesapeake Bay Program by providing the primary interface between the private landowner and numerous State and Federal land management programs.

Through this interface, the agency has provided leadership in implementation of nutrient management planning of which over 1.5 million acres have been completed, assisted over 2,000 animal waste systems many of which must meet AFO/CAFO requirements, installation of miles of riparian buffers, and protection, restoration of wetlands, increased effort in completing soil surveys, digitization of soil surveys, plant materials centers providing evaluation of grasses for shoreline protection, implementing electronic equipment for more efficient field office operations and providing better service to the custom such as "tool kit" systems, and providing leadership in developing Geographic Information System technology in the region.

The funding received for the Chesapeake Bay Program allows for increased NRCS staff and support to better serve the private landowner in the Chesapeake Bay Watershed area. Working with those landowners increases

their ability to become involved with financial assistance programs such as EQIP, CREP, CRP, WRP, WHIP, FPP, and other programs that help private landowners better manage their land and improve our natural resources and environment.

Gulf of Mexico Regional Project - Seco Creek, Texas
There are many efforts where NRCS is performing accelerated assistance that benefits the Gulf of Mexico. One such effort is in Seco Creek, Texas. The Edwards Aquifer provides water for over 1.3 million Texans and 103,000 acres of irrigated land. It is the sole-source aquifer providing municipal, industrial, and recreational water for San Antonio and other cities and communities overlying the aquifer.

Karst topography overlies the aquifer and during high intensity rainstorms sediment and other contaminants move directly into the aquifer through fractured limestone, sinkholes, and open caves, and could eventually threaten the health of the aquifer. One of the primary goals of the Seco Creek Water Quality Project is to prevent contamination and to increase the awareness of producers, landowners, and the public concerning the hazards of non-point source pollution.

As a result of project activities, numerous producers and landowners have realized environmentally safe agricultural practices exist that continue to provide economical benefit. Conservation practices applied have reduced the use of agricultural nutrients. An integrated brush management program on rangeland has made it possible to use all available technology for managing undesirable vegetation. The use of certain herbicides has been reduced forty percent by simply modifying application techniques. These practices, along with improved irrigation water management on cropland, have significantly reduced chemical loading to the aquifer and watershed. Evaluations by the U.S. Geologic Survey show improved water quality. Water quantity increases to the Edwards Aquifer of 35,000 to 55,000 gallons of water per acre per year have been determined.

Great Lakes Regional Project - Ohio Buffer Initiative
" Protecting Ohio's Great Lake!" demonstrates that no natural resource is too big or too important for a well-organized and creative team of dedicated individuals.

With NRCS leadership and assistance, nearly two dozen public and private natural resource and conservation organizations formed the Ohio Lake Erie Buffer Team. The buffer team has focused on a number of ways to improve the Western Lake Erie watershed through use of conservation buffers. The team helped to implement the state' s new Conservation Reserve Enhancement Program legislation which enables state funds to match federal funds to establish buffers and other conservation practices. NRCS and others are providing technical assistance, along with scientific data and information on the benefits of buffers, to help the buffer team put into place a comprehensive plan of action.

To support these efforts, the team designed promotional material and developed a series of meetings, demonstrations, and events aimed at specific audiences throughout the watershed. Promotional materials have included a buffer brochure, a buffer signage program, a buffer slide

presentation, a buffer poster competition, and a video. Implementation of buffers and other practices are expected to be accelerated in 2002 and beyond.

Other regional authorities include regional water quality activities that may not be designated by congressional earmark or agency designation. In many cases, these funds are passed through to the States for administration.

Mr. Bonilla: Where is the funding derived for these projects?

Response: Funding for these activities comes from the agency's Conservation Operations budget.

Mr. Bonilla: How does the NRCS decide where to target financial resources?

Response: NRCS works with its partners at the state and local level to determine priorities and the amount of resources needed to achieve each program's objectives.

REGIONAL WATER QUALITY PROJECTS

Mr. Bonilla: Please update the table that appears in last year's hearing record, showing the regional project allocations, to include fiscal years 1999-2003.

[The information follows:]

REGIONAL PROJECT ALLOCATIONS
(Dollars in millions)

	FUNDING					STAFF YEARS				
Regional Projects	1999	2000	2001	2002	2003*	1999	2000	2001	2002	2003*
Chesapeake Bay	$5.0	$4.8	$5.3	$5.5	$5.5	63	59	56	62	61
Gulf of Mexico	0.4	0.4	0.4	0.4	0.4	8	8	8	4	4
Great Lakes	1.5	.6	0.7	1.3	1.3	15	7	8	14	14
Other Regional Authorities	5.3	5.0	5.0	5.0	5.0	49	49	47	57	55

*Estimated fiscal year 2003 funding for these projects is based on an assumption of level funding with the amount available for FY2002.
The Land & Water 201 project, which was included in this table in previous fiscal years, was discontinued after fiscal year 1997 and so has been eliminated from this table.

Mr. Bonilla: Why don't the funding levels match from the tables of last year's hearing record for "regional projects" for 4 out of 5 years?

Response: The actual funding numbers for the regional projects over these years were not reconciled with the next fiscal year estimates, hence the numbers did not match. This has been corrected.

REGIONAL WATER QUALITY PROJECTS DESCRIPTIONS

Mr. Bonilla: Last year, you provided the Committee with a brief description on each of the regional projects that are currently underway including how much has been spent on each project. Would you please update these projects for us? What does other regional authorities include? Provide specific examples.

Response: Only four regional projects continue to be funded as they have been in the past. These include the Chesapeake Bay Program, Great Lakes Program, Lake Champlain Project, and the Gulf of Mexico Program. Examples follow:

Chesapeake Bay Program
The Chesapeake Bay Agreement, signed in 1983 as a cooperative agreement between the Bay States and the Federal Government, assigns NRCS responsibility for providing accelerated technical assistance in the Chesapeake Bay drainage area for the restoration and protection of the Bay's water quality and living resources. In 2002, $5.5 million, representing approximately 62 staff years will be dedicated to working toward the Bay Program objectives.

Great Lakes Program
In support of the U.S. initiative to the Great Lakes Program, NRCS has responsibility for providing on-farm technical assistance to farmers in the application of erosion control practices to reduce erosion and delivery of associated nutrients and pesticides within the basin. In 2002, $1,250,000, representing approximately 14 staff years will be dedicated to additional technical assistance to this program.

Gulf of Mexico Program
NRCS is committed within the framework of the Federal Interagency Agreement coordinating nonpoint source pollution control activities for the Gulf of Mexico, to target additional technical assistance funds in the amount of $400,000 to these activities. These funds went to support approximately 5 additional staff years to the region.

Lake Champlain Project
The Lake Champlain Basin is considered a high priority area for addressing water quality problems caused by agricultural nonpoint source pollution. The Lake Champlain Special Designation Act of 1990 provides for the development and implementation of a pollution prevention, control and restoration plan for the Basin. The major agricultural non-point sources are from cropland erosion, contributions from agricultural wastes (including manure and milkhouse waste), and commercial fertilizer.

NRCS is responsible within this area for the delivery of accelerated technical assistance to agricultural producers to help in the control of erosion and management of animal waste to help reduce phosphorus associated with the significant dairy industry of the area. This assistance includes providing guidance on the animal feeding operations and concentrated animal feeding operations requirements with the local landowners, as over 60 percent of the state's dairy operations are in the Lake Champlain watershed. This assistance helps to complete nutrient management plans to

implement animal waste control facilities. This accelerated technical assistance is critical to the development and implementation of nutrient management plans in the Lake Champlain drainage area. In 2002, $300,000 was provided to NRCS in Vermont for additional technical assistance to this project.

Other Regional Authorities
Other regional authorities are other nationwide regional water quality efforts that are not designated by congressional earmark or agency designation. In many cases, these funds are passed through to the States for administration.

INTERNATIONAL ACTIVITIES

Mr. Bonilla: Update the table on last year's hearing record, showing the total cost to NRCS to provide this assistance, and the amount reimbursed by other agencies or organizations to include fiscal year 2001.

[The information follows:]

Cost of International Activities Technical Assistance
(In thousands of dollars)

Fiscal Year	Total	CostReimbursed
1994	$804	$804
1995	415	415
1996	180	180
1997	182	182
1998	241	241
1999	335	335
2000	507	507
2001	576	576

HYPOXIA IN THE GULF OF MEXICO

Mr. Bonilla: Provide an update on any work you are doing to address the water quality issue of hypoxia in the Gulf of Mexico.

Response: USDA is involved in many efforts across the Mississippi River Basin to assist private landowners address water quality concerns. USDA and its state/local conservation partners have for many decades used a multi-program, locally-led approach in helping landowners to address agricultural and silvicultural resource concerns in the Basin. The most widely used are the various voluntary USDA conservation programs, including the: Environmental Quality Incentives Program (EQIP); Conservation Reserve Program (CRP); Wetland Reserve Program (WRP); and, Wildlife Habitat Incentives Program (WHIP).

To date, approximately 77% of the total EQIP funds, 75% of the total CRP acreage, 89% of the WRP acreage, and 68% of the total WHIP funds have been obligated in the 31 Mississippi River Basin States.

In addition, the U.S. Department of Agriculture has been an active member of the Federal Task Force that developed the Action Plan for Reducing, Mitigating, and Controlling Hypoxia in the Northern Gulf of Mexico. The Action Plan was submitted to Congress in January 2001. The Task Force met recently to review progress toward implementing the Action Plan and to discuss next steps. The next overarching step in the process is to move forward with the establishment of sub-basin committees to coordinate implementation of the Action Plan at the State level.

GRAZING LANDS CONSERVATION INITIATIVE

Mr. Bonilla: Provide a five-year table that shows how much is spent annually on the grazing lands conservation initiative including estimates for fiscal year 2003.

[The information follows:]

Grazing Land Conservation Initiative (GLCI) Budget

FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003 Est.
$15 Million	$15 Million	$17 Million	$18 Million	$21.5 Million	$21.5 Million

GRAZING LAND SPECIALISTS

Mr. Bonilla: Provide a table that shows the number of grazing land specialists at the agency for each year since 1991.

[The information follows:]

Grazing Land Technical Assistance Staff Years

FY	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Staff Years	240	238	234	212	208	288	330	421	700	677	800	800

This table represents the total number of staff that provide grazing land technical assistance that includes range conservationists, forage agronomists, grazing land specialists, soil conservationists, and resource conservationists. Funds are provided by the GLCI congressional earmark and the CO-01 budget.

GRAZING LANDS ASSISTANCE PROVIDED

Mr. Bonilla: Please provide the Committee with an update on the levels of grazing lands assistance being provided.

Response: Technical assistance to the nation's private grazing lands continue to improve due to the increased awareness of the ecological and economical benefits of properly managed grazing lands. Due in part to the partnership created by the Grazing Lands Conservation Initiative, NRCS has increased the availability of technical assistance to accomplish the following:

- **Staffing**

In 2001, nearly 800 NRCS employees provided technical assistance to private landowners and support to GLCI activities. Of this number, 342 employees are range conservationists, forage agronomists, or grazing land specialists.

- **Training**

Over 21,000 individuals, including NRCS personnel, conservation partners, other agency personnel, and private grazing landowners and managers received training.

- **Technical Assistance**

Technical assistance resulted in planned conservation systems on 18.1 million acres and applied conservation systems on 15 million acres of grazing land. The conservation practice " Prescribed Grazing" was applied to 18.6 million acres.

Grazing Land Projects
There are over 870 grazing land demonstration projects nationwide that demonstrate grazing land technologies and management.

- **Public Education and Awareness**

Over 1,600 education and awareness activities (workshops, field days, tours) were conducted with over 94,000 individuals participating in the grazing land activities.

NATIONAL GRAZING LAND TECHNOLOGY INSTITUTE FUNDING

Mr. Bonilla: Provide the funding levels for the National Grazing Land Technology Institute for fiscal years 2001, 2002, and 2003.

[The information follows:]

Grazing Land Technology Institute Budget

FY 2001	FY 2002	FY 2003
$1,104,600	$1,096,000	$1,300,000 est.

Mr. Bonilla: How many employees were enrolled in courses in grazing science, livestock management, and related sciences in fiscal year 2001.

Response: The National Employee Development Center provided intensive training to 153 employees. Additionally, the Grazing Lands Technology Institute staff trained 1,292 employees.

GRAZING LAND ASSISTANCE FUNDING

Mr. Bonilla: How much do you plan to spend on grazing land assistance in fiscal year 2003?

Response: NRCS plans to spend approximately $72 million on grazing land assistance, including the GLCI, in fiscal year 2003.

NRCS FUNDING REQUESTS

Mr. Bonilla: Provide the Committee with a detailed breakout of your budget request to the Secretary, the Secretary's request to OMB, and the OMB allowance.

Response: Agency and Department materials used in developing the FY 2003 President's budget are considered " pre-decisional" materials and therefore remain a matter of internal record.

NRCS STAFFING LEVELS

Mr. Bonilla: Provide a five-year table, including fiscal year 2001, that shows the number of headquarters state and field office staff levels. Why does the number of staff appear to be trending up at headquarters and trending down in the states?

Response: While there may be the appearance of a trend upward in headquarters, we have reduced the number of staff since our 1995 staff levels. We have trended down in the states in an effort to meet that same goal to reduce staff. The change in national headquarters from 1998 to 1999 is due to the 1998 reorganization and other program changes (i.e., Farm Bill, Science and Technology, and Oversight and Evaluation.

	1997 Actual	1998 Actual	1999 Actual	2000 Actual	2001 Actual	2002 Est.	2003 Est.
National Hdqtrs.	372	370	403	393	417	393	383
State Offices...	2,133	2,120	2,064	1,994	1,953	1,879	1,836
Field.....	9,383	9,426	9,253	9,085	9,073	8,738	8,537

Mr. Bonilla: Update the table that appears in last year's record to reflect the fiscal year 2002 EQIP allocation.

[The information follows:]

FY 2002 EQIP SUMMARY TOTALS

State	FA/EA Allocation*	TA Allocation	EQIP Total
ALABAMA	$2,900,000	$675,100	$3,575,100
ALASKA	416,900	97,100	514,000
ARIZONA	6,131,700	1,427,400	7,559,100
ARKANSAS	3,313,400	771,300	4,084,700
CALIFORNIA	7,338,700	1,708,400	9,047,100
COLORADO	5,637,100	1,312,300	6,949,400
CONNECTICUT	627,300	146,000	773,300
DELAWARE	782,200	182,100	964,300
FLORIDA	4,128,900	961,200	5,090,100
GEORGIA	3,250,700	756,800	4,007,500
HAWAII	582,700	135,600	718,300
IDAHO	2,611,400	607,900	3,219,300
ILLINOIS	3,164,600	736,700	3,901,300
INDIANA	1,939,700	451,600	2,391,300
IOWA	3,368,900	784,300	4,153,200
KANSAS	3,843,100	894,600	4,737,700
KENTUCKY	2,297,100	534,800	2,831,900
LOUISIANA	2,852,900	664,100	3,517,000
MAINE	1,345,600	313,200	1,658,800
MARYLAND	1,402,000	326,400	1,728,400
MASSACHUSETTS	699,500	162,800	862,300
MICHIGAN	3,287,100	765,200	4,052,300
MINNESOTA	4,479,800	1,042,900	5,522,700
MISSISSIPPI	3,966,200	923,300	4,889,500
MISSOURI	3,833,200	892,400	4,725,600
MONTANA	5,165,600	1,202,500	6,368,100
NEBRASKA	3,788,400	881,900	4,670,300
NEVADA	1,255,900	292,400	1,548,300
NEW HAMPSHIRE	560,200	130,400	690,600
NEW JERSEY	762,000	177,400	939,400
NEW MEXICO	5,324,400	1,239,500	6,563,900
NEW YORK	2,736,700	637,100	3,373,800
NORTH CAROLINA	3,450,500	803,200	4,253,700
NORTH DAKOTA	3,068,000	714,200	3,782,200
OHIO	2,502,100	582,500	3,084,600
OKLAHOMA	3,599,600	838,000	4,437,600
OREGON	3,151,500	733,600	3,885,100
PENNSYLVANIA	2,388,000	555,900	2,943,900
RHODE ISLAND	342,000	79,600	421,600
SOUTH CAROLINA	1,805,100	420,200	2,225,300
SOUTH DAKOTA	4,209,900	980,000	5,189,900
TENNESSEE	2,313,200	538,500	2,851,700
TEXAS	11,545,900	2,687,800	14,233,700
UTAH	4,048,000	1,007,900	5,055,900
VERMONT	839,700	195,500	1,035,200
VIRGINIA	2,488,200	579,200	3,067,400
WASHINGTON	3,163,500	736,500	3,900,000
WEST VIRGINIA	1,427,100	332,200	1,759,300
WISCONSIN	3,452,300	803,700	4,256,000
WYOMING	2,873,400	668,900	3,542,300
PACIFIC BASIN	248,600	57,900	306,500
PUERTO RICO & VI	759,500	176,800	936,300
NHQ Reserve	0	203,200	203,200
US Total Allocated	$151,470,000	$35,530,000	$187,000,000

*Note: Financial Assistance/Educational Assistance (FA/EA) distribution for 2002 has not occurred. Educational Assistance request must be limited to not more than 1% of FA/EA total per Office of Management and Budget.

FOREIGN ASSIGNMENTS

Mr. Bonilla: How many assignments did NRCS personnel complete in foreign countries in fiscal year 2001? How many countries did NRCS personnel complete assignments in? What was the total cost of these assignments and how much were you reimbursed for these costs?

Response: NRCS specialists completed 188 international conservation assignments in 35 foreign countries during fiscal year 2001. The cost of 83 technical assistance assignments was $576,000, and was reimbursed by the U.S Agency for International Development and other sources. In addition to the reimbursable technical assistance activities previously addressed, 103 other assignments totaling about $150,000 included travel to international meetings and participation in scientific and technical exchanges that benefited NRCS and U.S. Agriculture. Additionally, NRCS expended $314,000 associated with the two resident assignments of NRCS conservationists in the Pacific Basin--Federated States of Micronesia and Republic of Palau--under Public Law 99-239, Compact of Free Association Act of 1985. NRCS also maintains a staff of five in Washington, D.C. to carry out all international efforts.

SOIL SURVEYS

Mr. Bonilla: Please update the table from last year's hearing record that shows the funding and staffing levels for soil surveys including NRCS, other Federal agencies, land grant universities, State agencies and local government for fiscal year 2001 and estimates for fiscal years 2002 and 2003.

[The information follows:]

FUNDING AND STAFFING OF SOIL SURVEYS
FY 2001 Actual and FY 2002 and 2003 Estimates
(Dollars in Thousands)

	FUNDING			STAFF YEARS		
	2001	2002	2003	2001	2002	2003
NRCS Appropriations.....	$83,874	$88,928	$89,915	914	933	907
Reimbursements:						
Other USDA.....	514	930	930	6	10	10
Other Federal.....	2,931	3,410	3,417	34	37	37
State & Local Governments	4,127	4,265	4,275	67	60	60
Private.....	313	325	325	0	0	0
Total, Reimbursements...	7,885	8,930	8,947	107	107	107
Total, Soil Surveys.....	$91,759	$97,858	$98,862	1,021	1,040	1,014

Note: FY 2001 and FY 2002 amounts have been adjusted for comparability to include retirement and health pension benefits.

APPLICATIONS FOR RC&D AREAS

Mr. Bonilla: How many applications has NRCS received for new RC&D areas and what would be the cost to fund all new areas at the authorized funding level?

Response: As of February 28, 2002, there are 20 applications on file for designation. The average cost to NRCS to fully support an RC&D Area is approximately $167,000 per year. Full support to a designated area includes a Federal coordinator, an administrative assistant, a computer, office space, related utilities, supplies, a vehicle, and management at the state and national levels. To fund these 20 applicants currently on file, the agency would need an additional $3.34 million in RC&D appropriated funds. The agency expects 10 additional applications to be filed by September 30, 2002.

RC&D AREAS FUNDED

Mr. Bonilla: How many RC&D areas are currently being funded? How much does each area receive in federal funding? How many are funded by appropriated dollars? How many are funded by the Fund for Rural America?

Response: Presently, there are 368 designated RC&D areas nationwide. This is an increase of 20 areas from FY 2001. Currently, these areas serve 85% of the nation's counties and more than 77% of the population. Each State Conservationist was allocated approximately $109,800 in FY 2002 for each existing designated RC&D area and newly designated area in the State. There are no areas funded by the Fund for Rural America in FY 2002, all 368 RC&D areas are funded by appropriated RC&D dollars.

EQIP PRIORITY/NON PRIORITY AREA FUNDING

Mr. Bonilla: How much, not what percentage, of the fiscal year 2001 EQIP funds went to priority areas?

Response: In fiscal year 2001, $145,958,244 in EQIP funds were allocated to priority areas.

Mr. Bonilla: How much of the fiscal year 2002 EQIP funds have gone to priority areas?

Response: $121,550,000 has been allocated to states initially but states have the authority to allocate additional funds from statewide concerns into priority areas depending on needs and priorities.

Mr. Bonilla: How much, not what percentage, of the fiscal year 2001 EQIP funds went to non- priority areas?

Response: $53,984,556 went to state resource concerns outside geographic priority areas.

Mr. Bonilla: How much of the fiscal year 2002 EQIP funds have gone to non-priority areas?

Response: $65,450,000 has initially been allocated to state resource concerns outside geographic priority areas.

NORTHWEST SALMON RECOVERY INITIATIVE

Mr. Bonilla: How much did NRCS spend on the Northwest Salmon Recovery Initiative in fiscal year 2001? How much do you plan to spend on this initiative in fiscal year 2002 and 2003?

Response: No funds were allocated specifically for the Northwest Salmon Initiative in fiscal year 2001 and there are no plans to allocate funds for this initiative in fiscal years 2002 or 2003.

Mr. Bonilla: What were your accomplishments in fiscal year 2001 for the Northwest Salmon Recovery Initiative?

Response: NRCS does not track accomplishments separately for the Northwest Salmon Recovery Initiative. Activities that impact salmon recovery are reported as conservation accomplishments that benefit fish and wildlife habitat. Included among these accomplishments are wildlife habitat management and conservation buffers such as filter strips and streambank and shoreline protection.

AMERICAN HERITAGE RIVERS

Mr. Bonilla: How much did NRCS spend on Heritage Rivers in fiscal year 2001? How much do you plan to spend on this initiative in fiscal years 2002 and 2003?

Response: During fiscal year 2001, NRCS provided approximately $280,000 for staff time and associated costs to assist with the implementation of the American Heritage Rivers Initiative. Sixty percent of the funds were from the NRCS Conservation Operations account, and 40 percent from the Watershed Surveys and Planning account. We have provided $204,000 for staff time in fiscal year 2002 to coordinate federal programs on the Hudson and Upper Susquehanna/Lackawanna American Heritage Rivers based on Congressional directives. All of these funds will be from the Conservation Operations account. We expect to provide a similar amount for fiscal year 2003.

Mr. Bonilla: What were your accomplishments in fiscal year 2001 for Heritage Rivers?

Response: Nearly 4,000 acres of land had conservation systems applied that addressed flooding concerns and 15,000 acres of land had conservation systems applied that addressed water supply concerns. NRCS protected 2,900 acres of cropland against excessive erosion and applied nutrient management on 4,800 acres of land. Wildlife habitat management was applied to 8,400 acres of land for the purpose of upland and wetland creation, restoration, and enhancement. About 1,500 acres of buffers were applied by NRCS through the American Heritage Rivers Program.

On the Upper Susquehanna/Lackawanna American Heritage River, NRCS has partnered with over 20 local, state, and federal groups to treat non-point source pollution from abandoned mines in the anthracite coal region of Pennsylvania. Funds from the Rural Abandoned Mine Program (RAMP) have been used to leverage funds and in-kind services from other sources, such as 319

grants from the Environmental Protection Agency and funds from a non-profit organization. Accomplishments at three sites include reclaiming minelands for conversion to areas supporting community facilities, treatment of acid mine drainage to restore a biologically dead lake, and prevention of polluted mine runoff that was going directly into the Susquehanna River.

Mr. Bonilla: How many NRCS personnel performed Heritage Rivers work in fiscal year 2001? 2002? At what cost?

Response: During fiscal year 2001, NRCS provided $280,000 to support two River Navigators, one on the Hudson AHR and one on the Susquehanna/Lackawanna AHR, and to provide approximately one half of an FTE for management and implementation of the initiative. During fiscal year 2002, we have provided $204,000 to support the two River Navigators.

GRAZING LANDS CONSERVATION INITIATIVE FUNDING

Mr. Bonilla: Congress earmarked $21.5 million in CTA funds in fiscal year 2002 for the Grazing Lands Conservation Initiative. Where have these funds been allocated? Provide an update on the activities and accomplishments of this initiative.

Response: Grazing land is implemented in every state in the U.S. and constitutes the single largest watershed cover type in the country. All of the GLCI funds have been allocated to the 50 states, the Commonwealth of Puerto Rico, the Pacific Basin, and the Northern Plains Regional Office.

The funds are being utilized in support of five major GLCI activities: (1) staffing; (2) training; (3) increased technical assistance; (4) grazing lands projects; and (5) marketing and outreach.

We intend to provide approximately 800 staff to provide technical assistance to private landowners that will impact nearly 20 million acres of grazing land. This staff will also assist in training and public awareness activities relating to grazing lands conservation.

ANIMAL AGRICULTURE AND PRODUCTION

Mr. Bonilla: Animal agriculture and production has become a growing concern across the country, particularly with respect to the potential for certain operations to have an adverse effect on water quality. Provide the committee with an update on what NRCS is doing to help farmers address potential problems associated with livestock production.

Response: NRCS has historically provided significant technical and financial assistance to livestock and poultry producers to help them address potential problems associated with their operations. In fiscal year 2001, using existing conservation programs such as the Environmental Quality Incentives Program (EQIP) and Conservation Technical Assistance (CTA), NRCS assisted over 10,000 animal feeding operations with the development of some type of nutrient and animal waste management practices. Components of these systems include waste storage facilities, waste storage lagoons, composting facilities, barnyard and roof runoff systems, and nutrient management plans.

NRCS and cooperating USDA agencies have focused their efforts to improve our capability in providing sound, science-based assistance to farmers in addressing potential problems associated with livestock production. In December 2000, NRCS released its final " Comprehensive Nutrient Management Planning (CNMP) Technical Guidance." This fiscal year, NRCS and partner field staffs have begun delivering CNMP technical assistance to AFO owners and operators. The Technical Guidance is used in conjunction with NRCS' existing planning procedures and other technical references to effectively address both management activities and natural resource concerns associated with minimizing the adverse impacts of animal feeding operations on water quality. The Technical Guidance is used by " certified" NRCS, conservation partner, and third-party vendor technical specialists to assist AFO operators who voluntarily implement CNMPs, and also to help satisfy the majority of the U.S. Environmental Protection Agency's National Pollutant Discharge Elimination System regulatory requirements for confined animal feeding operations. USDA is in the process of analyzing the estimated costs of developing and implementing CNMPs in preparation for future workload and conservation program funding decisions.

In May 1999, NRCS updated its Nutrient Management conservation practice standard, establishing criteria to address the nutrient of greatest concern, on a site-by-site basis. In most situations where manure is land applied, phosphorus will be the nutrient of greatest concern. The standard focuses on applying nutrients at crop removal rates. NRCS has funded a Soil Phosphorus Study through its soils lab in Lincoln, Nebraska, to assist in modeling efforts associated with phosphorus risk assessment indices and soil phosphorus thresholds.

NRCS has released two training courses - a Nutrient Management course and an Agricultural Waste Management Systems course - developed by our National Employee Development Center. These computer-based training courses are being used by NRCS, conservation partners, third-party vendors, and farmers to improve their skills and knowledge when dealing with these complex, technical situations. Additionally, a new computer software tool to design animal waste management systems was completed and a manure management planning software program is being developed in cooperation with Purdue University.

For six months from September 2001 through February 2002, NRCS brought on an animal nutrition expert, Dr. Alan Sutton, through an agreement with Purdue University. Dr. Sutton worked with other experts in the animal nutrition field to help us better understand the science, opportunities, challenges, and policy issues associated with the use of feed management to reduce the nutrient content of animal manure. With Dr. Sutton's continued input, NRCS is in the process of developing training and informational materials on feed management to assist conservation planners better address the concerns and resource needs of animal feeding operators.

EQIP ALLOCATION METHOD

Mr. Bonilla: Were any changes made from 2001 to 2002 in the way EQIP funds were allocated? If so, please describe those changes for the record.

Response: No, there were no changes in the way EQIP funds were allocated.

Mr. Bonilla: Please provide a table for the record showing each state's total eligible acreage/environmentally sensitive lands and the amount each state received in the 2001 and 2002 EQIP allocation.

[The information follows:]

EQIP ACREAGE AND FUNDING

State	Eligible Acreage Environmentally Sensitive Lands	FY 2001 EQIP	FY 2002 EQIP
ALABAMA	8,704,385	$3,671,500	$3,575,100
ALASKA	881,045	$497,300	$514,000
ARIZONA	26,866,722	$7,094,900	$7,559,100
ARKANSAS	14,364,955	$4,544,900	$4,084,700
CALIFORNIA	27,698,779	$9,157,200	$9,047,100
COLORADO	32,634,221	$7,060,800	$6,949,400
CONNECTICUT	359,313	$788,000	$773,300
DELAWARE	579,545	$965,600	$964,300
FLORIDA	10,454,217	$5,350,700	$5,090,100
GEORGIA	10,671,246	$4,095,200	$4,007,500
HAWAII	1,439,071	$647,000	$718,300
IDAHO	11,830,167	$3,319,400	$3,219,300
ILLINOIS	27,204,780	$4,146,100	$3,901,300
INDIANA	15,111,022	$2,750,100	$2,391,300
IOWA	31,166,699	$7,023,400	$4,153,200
KANSAS	46,089,268	$5,000,300	$4,737,700
KENTUCKY	13,334,234	$3,102,500	$2,831,900
LOUISIANA	7,876,528	$3,937,300	$3,517,000
MAINE	1,211,648	$1,977,400	$1,658,800
MARYLAND	2,156,875	$2,062,700	$1,728,400
MASSACHUSETTS	518,299	$931,000	$862,300
MICHIGAN	9,872,812	$4,322,100	$4,052,300
MINNESOTA	25,994,621	$5,771,400	$5,522,700
MISSISSIPPI	10,124,822	$5,208,700	$4,889,500
MISSOURI	28,816,188	$5,027,900	$4,725,600
MONTANA	58,607,778	$6,446,300	$6,368,100
NEBRASKA	45,525,414	$4,791,200	$4,670,300
NEVADA	6,409,288	$1,428,900	$1,548,300
NEW HAMPSHIRE	415,031	$613,000	$690,600
NEW JERSEY	83,260	$962,200	$939,400
NEW MEXICO	45,787,108	$5,780,700	$6,563,900
NEW YORK	7,254,470	$3,812,700	$3,373,800
NORTH CAROLINA	9,122,379	$4,559,400	$4,253,700
NORTH DAKOTA	39,359,346	$4,252,800	$3,782,200
OHIO	14,103,085	$3,241,300	$3,084,600
OKLAHOMA	33,218,677	$5,005,900	$4,437,600
OREGON	17,449,293	$4,372,800	$3,885,100
PENNSYLVANIA	7,167,906	$3,355,400	$2,943,900
RHODE ISLAND	55,256	$421,700	$421,600
SOUTH CAROLINA	4,593,452	$2,275,000	$2,225,300
SOUTH DAKOTA	44,354,880	$4,682,300	$5,189,900
SOUTH DAKOTA	11,122,363	$3,105,600	$2,851,700
TEXAS	131,308,286	$15,144,000	$14,233,700
UTAH	12,024,661	$4,648,100	$5,055,900
VERMONT	1,262,155	$1,279,200	$1,035,200

State	Eligible Acreage Environmentally Sensitive Lands	FY 2001 EQIP	FY 2002 EQIP
VIRGINIA	8,228,226	$3,163,200	$3,067,400
WASHINGTON	15,179,710	$4,183,500	$3,900,000
WEST VIRGINIA	3,455,532	$1,802,000	$1,759,300
WISCONSIN	14,900,205	$4,541,800	$4,256,000
WYOMING	34,088,692	$3,675,800	$3,542,300
PUERTO RICO	878,944	$961,800	$936,300
PACIFIC BASIN	25,293	$453,000	$306,500
NHQ, Reserve & TA		$2,121,700	$203,200
Not yet allocated		$515,900	$0
Totals	931,942,152	$199,942,800	$187,000,000

ANIMAL FEEDING OPERATIONS TECHNICAL ASSISTANCE

Mr. Bonilla: How much did NRCS spend in fiscal year 2001 on technical assistance for animal feeding operations? How much does NRCS plan to spend in fiscal year 2002?

Response: In fiscal year 2001, NRCS spent $71.4 million in Conservation Technical Assistance (CTA) and Environmental Quality Incentives Program (EQIP) technical assistance funds to assist owners and operators of animal feeding operations (AFOs). In addition, an estimated $57.5 million in EQIP funding was expended in financial assistance to AFO owners and operators and $12 million from CTA was invested to support technology development, training, and other activities to facilitate assistance to AFOs. In fiscal year 2002, NRCS has directed the same level of funding for technical assistance to AFOs.

STATE AND LOCAL FUNDING

Mr. Bonilla: Update the table from last year's hearing record showing the funding levels provided by state and local entities in the Watershed and Flood Prevention Operations program for fiscal years 1997 - 2002.

[The information follows:]

STATE AND LOCAL FUNDING OF WATERSHED AND FLOOD PREVENTION OPERATIONS

FY	State Government	Local Government	Private
1997	$51,010,264	$49,031,945	$4,231,229
1998	63,288,271	61,532,169	6,415,864
1999	57,687,152	52,559,812	9,266,471
2000	61,189,417	53,738,667	20,693,560
2001	28,558,910	17,107,392	19,450,045
2002*	n/a	n/a	n/a

*NRCS now collects the data as obligations, not budget authority, so amounts will not be available until the end of the year.

OBJECT CLASS BREAKDOWNS

Mr. Bonilla: Please provide for the record object class tables reflecting fiscal years 2001 - 2003 for each account requested in the fiscal year 2003 budget request.

[The information follows:]

CONSERVATION OPERATIONS
OBJECT CLASS
($000)

DIRECT OBLIGATIONS:		2001	2002	2003
11.1	Full-time permanent	$415,274	$433,305	$472,386
11.3	Other than FTP	7,830	8,127	8,834
11.5	Other personnel comp	5,077	5,290	5,147
11.8	Special personal services pay	0	0	0
11.9	Total personnel. compensation.	428,181	446,722	486,367
12.1	Personnel benefits	162,701	172,315	192,293
13.0	Benefits former person	120	120	128
21.0	Travel & trans. per	13,755	14,042	15,061
22.0	Transportation of things	2,667	2,722	2,929
23.1	SLUC	17,587	18,289	18,289
23.2	Rental pay to others	11,677	11,922	12,844
23.3	Comm, utilities & miscellaneous	20,362	20,769	22,316
24.0	Print & reproduction	2,711	2,785	2,877
25.1	Consulting services	0	25	25
25.2	Other services	99,914	135,712	107,339
25.2	Contracts	0	0	0
26.0	Supplies & materials	16,132	16,470	17,715
31.0	Equipment	14,929	20,584	18,646
32.0	Land and structures	0	0	1
33.0	Investments & loans	0	0	0
41.0	Grants	0	0	0
42.0	Insurance & Indemnities	297	303	330
43.0	Interest & dividends	27	28	30
44.0	Refunds	0	0	0
Summary of Obligations:				
	Salary & Benefits	590,882	619,037	678,660
	Support	200,178	243,771	218,529
	Subtotal, T/A	791,060	862,808	897,189
	Financial assistance	0	0	1
TOTAL, OBLIGATIONS		$791,060	$862,808	$897,190

WATERSHED SURVEYS AND PLANNING
OBJECT CLASS
($000)

DIRECT OBLIGATIONS:		2001	2002	2003
11.1	Full-time permanent	$6,172	$6,326	$0
11.3	Other than FTP	67	70	0
11.5	Other personnel comp	368	377	0
11.8	Spec. pers svcs pay	0	0	0
11.9	Total per. Comp	6,607	6,773	0
12.1	Personnel benefits	2,005	2,103	0
13.0	Bene. former person	0	0	0
21.0	Travel & trans. Per	357	358	0
22.0	Transpor. of things	38	38	0
23.1	SLUC	0	0	0
23.2	Rental pay to others	160	161	0
23.3	Comm, util & misc.	342	343	0
24.0	Print & reproduction	199	200	0
25.1	Consulting services	0	110	0
25.2	Other services	1,095	930	0
25.2	Contracts	0	0	0
26.0	Supplies & materials	386	387	0
31.0	Equipment	168	169	0
32.0	Land and structures	0	0	0
33.0	Investments & loans	0	0	0
41.0	Grants	0	0	0
42.0	Insurance & Indem	0	0	0
43.0	Interest & dividends	0	0	0
44.0	Refunds	0	0	0
Summary of Obligations:				
	Salary & Benefits	8,612	8,876	0
	Support	2,745	2,696	0
	Subtotal, T/A	11,357	11,572	0
	Financial assistance	0	0	0
TOTAL, OBLIGATIONS		$11,357	$11,572	$0

WATERSHED AND FLOOD PREVENTION OPERATIONS
OBJECT CLASS
($000)

DIRECT OBLIGATIONS:		2001	2002	2003
11.1	Full-time permanent	$37,594	$33,047	$11,708
11.3	Other than FTP	410	337	147
11.5	Other personnel com	1,480	1,009	773
11.8	Spec. pers svcs pay	0	0	0
11.9	Total per. Comp	39,484	34,393	12,628
12.1	Personnel benefits	13,934	13,354	4,334
13.0	Bene. former person	0	0	0
21.0	Travel & trans. Per	1,807	1,512	626
22.0	Transpor. of things	288	294	39
23.1	SLUC	0	0	0
23.2	Rental pay to others	967	967	154
23.3	Comm, util & misc	1,698	1,455	540
24.0	Print & reproduction	224	207	20
25.1	Consulting services	0	200	0
25.2	Other services	5,651	3,875	2,764
25.2	Contracts	75,796	66,574	47,410
26.0	Supplies & materials	1,944	1,514	763
31.0	Equipment	2,787	1,834	1,513
32.0	Land and structures	32,111	4,264	0
33.0	Investments & loans	0	0	0
41.0	Grants	73,994	66,090	40,590
42.0	Insurance & Indem	1	0	0
43.0	Interest & dividends	10	5	8
44.0	Refunds	0	0	0
Summary of Obligations:				
	Salary & Benefits	53,418	47,747	16,962
	Support	15,377	11,863	6,427
	Subtotal, T/A	68,795	59,610	23,389
	Financial assistance	181,901	136,928	88,000
TOTAL, OBLIGATIONS		$250,696	$196,538	$111,389

WATERSHED REHABILITATION PROGRAM
OBJECT CLASS
($000)

DIRECT OBLIGATIONS:		2001	2002	2003
11.1	Full-time permanent	0	$3,746	0
11.3	Other than FTP	0	34	0
11.5	Other personnel comp	0	120	0
11.8	Spec. pers svcs pay	0	0	0
11.9	Total per. Comp	0	3,900	0
12.1	Personnel benefits	0	912	0
13.0	Bene. former person	0	0	0
21.0	Travel & trans. Per	0	198	0
22.0	Transpor. of things	0	38	0
23.1	SLUC	0	0	0
23.2	Rental pay to others	0	126	0
23.3	Comm, util & misc	0	188	0
24.0	Print & reproduction	0	36	0
25.1	Consulting services	0	0	0
25.2	Other services	0	955	0
25.2	Contracts	0	1,660	0
26.0	Supplies & materials	0	181	0
31.0	Equipment	0	166	0
32.0	Land and structures	0	0	0
33.0	Investments & loans	0	0	0
41.0	Grants	0	1,640	0
42.0	Insurance & Indem	0	0	0
43.0	Interest & dividends	0	0	0
44.0	Refunds	0	0	0
Summary of Obligations:				
	Salary & Benefits	0	4,812	0
	Support	0	1,888	0
	Subtotal, T/A	0	6,700	0
	Financial assistance	0	3,300	0
TOTAL, OBLIGATIONS		0	$10,000	0

FORESTRY INCENTIVES PROGRAM
OBJECT CLASS
($000)

DIRECT OBLIGATIONS:		2001	2002	2003
11.1	Full-time permanent	0	0	0
11.3	Other than FTP	0	0	0
11.5	Other personnel comp	0	0	0
11.8	Spec. pers svcs pay	0	0	0
11.9	Total per. Comp	0	0	0
12.1	Personnel benefits	0	0	0
13.0	Bene. former person	0	0	0
21.0	Travel & trans. Per	0	0	0
22.0	Transpor. of things	0	0	0
23.1	SLUC	0	0	0
23.2	Rental pay to others	0	0	0
23.3	Comm, util & misc	0	0	0
24.0	Print & reproduction	0	0	0
25.1	Consulting services	0	0	0
25.2	Other services	$786	$681	0
25.2	Contracts	0	0	0
26.0	Supplies & materials	0	0	0
31.0	Equipment	0	0	0
32.0	Land and structures	0	0	0
33.0	Investments & loans	0	0	0
41.0	Grants	9,941	7,731	0
42.0	Insurance & Indem	0	0	0
43.0	Interest & dividends	0	0	0
44.0	Refunds	0	0	0
Summary of Obligations:				
	Salary & Benefits	0	0	0
	Support	786	681	0
	Subtotal, T/A	786	681	0
	Financial assistance	9,941	7,731	0
TOTAL, OBLIGATIONS		$10,727	$8,412	0

RESOURCE CONSERVATION AND DEVELOPMENT
OBJECT CLASS
($000)

DIRECT OBLIGATIONS:		2001	2002	2003
11.1	Full-time permanent	$23,046	$27,437	$30,078
11.3	Other than FTP	918	1,093	0
11.5	Other personnel comp	117	139	153
11.8	Spec. pers svcs pay	0	0	0
11.9	Total per. Comp	24,081	28,669	30,231
12.1	Personnel benefits	8,478	9,716	7,553
13.0	Bene. former person	0	0	0
21.0	Travel & trans. Per	747	869	943
22.0	Transpor. of things	136	158	175
23.1	SLUC	0	0	0
23.2	Rental pay to others	585	682	738
23.3	Comm, util & misc	845	984	1,068
24.0	Print & reproduction	551	642	696
25.1	Consulting services	0	50	50
25.2	Other services	6,181	9,014	8,383
25.2	Contracts	0	0	0
26.0	Supplies & materials	879	974	1,117
31.0	Equipment	790	920	997
32.0	Land and structures	0	0	0
33.0	Investments & loans	0	0	0
41.0	Grants	74	223	36
42.0	Insurance & Indem	35	41	44
43.0	Interest & dividends	0	0	0
44.0	Refunds	0	0	0
Summary of Obligations:				
	Salary & Benefits	32,559	38,385	37,784
	Support	10,749	14,334	14,211
	Subtotal, T/A	43,308	52,719	51,995
	Financial assistance	74	223	36
TOTAL, OBLIGATIONS		$43,382	$52,942	$52,031

WETLANDS RESERVE PROGRAM
OBJECT CLASS
($000)

DIRECT OBLIGATIONS:		2001	2002	2003
11.1	Full-time permanent	142	1,032	0
11.3	Other than FTP	0	0	0
11.5	Other personnel comp	0	0	0
11.8	Spec. pers svcs pay	0	0	0
11.9	Total per. Comp	142	1,032	0
12.1	Personnel benefits	26	204	0
13.0	Bene. former person	0	0	0
21.0	Travel & trans. Per	17	44	0
22.0	Transpor. of things	0	0	0
23.1	SLUC	0	0	0
23.2	Rental pay to others	11	87	0
23.3	Comm, util & misc	0	0	0
24.0	Print & reproduction	0	0	0
25.1	Consulting services	0	0	0
25.2	Other services	-1,132	0	0
25.2	Contracts	0	0	0
26.0	Supplies & materials	5	87	0
31.0	Equipment	0	0	0
32.0	Land and structures	365	363	0
33.0	Investments & loans	0	0	0
41.0	Grants	0	0	0
42.0	Insurance & Indem	0	0	0
43.0	Interest & dividends	0	0	0
44.0	Refunds	0	0	0
Summary of Obligations:				
	Salary & Benefits	168	1,236	0
	Support	-1,099	218	0
	Subtotal, T/A	-931	1,454	0
	Financial assistance	365	363	0
TOTAL, OBLIGATIONS		-$566	$1,817	0

TRUST FUNDS
OBJECT CLASS
($000)

DIRECT OBLIGATIONS:		2001	2002	2003
11.1	Full-time permanent	$506	$53	$55
11.3	Other than FTP	55	6	6
11.5	Other personnel comp	0	0	0
11.8	Spec. pers svcs pay	0	0	0
11.9	Total per. Comp	561	59	61
12.1	Personnel benefits	103	11	12
13.0	Bene. former person	0	0	0
21.0	Travel & trans. Per	17	2	2
22.0	Transpor. of things	0	0	0
23.1	SLUC	0	0	0
23.2	Rental pay to others	0	0	0
23.3	Comm, util & misc	1	0	0
24.0	Print & reproduction	0	0	0
25.1	Consulting services	0	0	0
25.2	Other services	58	6	6
25.2	Contracts	-561	895	139
26.0	Supplies & materials	17	2	2
31.0	Equipment	0	0	0
32.0	Land and structures	146	15	15
33.0	Investments & loans	0	0	0
41.0	Grants	325	33	33
42.0	Insurance & Indem	0	0	0
43.0	Interest & dividends	0	0	0
44.0	Refunds	0	0	0
Summary of Obligations:				
	Salary & Benefits	664	70	73
	Support	93	10	10
	Subtotal, T/A	757	80	83
	Financial assistance	-90	943	187
TOTAL, OBLIGATIONS		$667	$1,023	$270

WILDLIFE HABITAT INCENTIVES PROGRAM
OBJECT CLASS
($000)

DIRECT OBLIGATIONS:		2001	2002	2003
11.1	Full-time permanent	$1,594	0	0
11.3	Other than FTP	5	0	0
11.5	Other personnel comp	4	0	0
11.8	Spec. pers svcs pay	0	0	0
11.9	Total per. Comp	1,603	0	0
12.1	Personnel benefits	360	0	0
13.0	Bene. former person	0	0	0
21.0	Travel & trans. Per	33	0	0
22.0	Transpor. of things	3	0	0
23.1	SLUC	0	0	0
23.2	Rental pay to others	65	0	0
23.3	Comm, util & misc	138	0	0
24.0	Print & reproduction	2	0	0
25.1	Consulting services	0	0	0
25.2	Other services	27	38	0
25.2	Contracts	0	0	0
26.0	Supplies & materials	55	0	0
31.0	Equipment	32	0	0
32.0	Land and structures	0	0	0
33.0	Investments & loans	0	0	0
41.0	Grants	12,702	$850	0
42.0	Insurance & Indem	0	0	0
43.0	Interest & dividends	0	0	0
44.0	Refunds	0	0	0
Summary of Obligations:				
	Salary & Benefits	1,963	0	0
	Support	355	38	0
	Subtotal, T/A	2,318	38	0
	Financial assistance	12,702	850	0
TOTAL, OBLIGATIONS		$15,020	$888	0

EMERGENCY WATERSHED PROGRAM FLOODPLAIN EASEMENTS

Mr. Bonilla: Did NRCS use any emergency watershed program funds in fiscal year 2001 to purchase floodplain easements? If so, how much?

Response: NRCS utilized $35 million dollars of emergency watershed program funds in FY 2001 to purchase easements covering 29,067 acres from 208 landowners.

EQIP TECHNICAL ASSISTANCE REIMBURSEMENT

Mr. Bonilla: The conference report included language regarding the long-term nature of the technical assistance work associated with EQIP contracts and recommended that the technical assistance component be reimbursed for all costs associated with new and existing contracts. Have all costs associated with technical assistance been reimbursed from the CCC? What were the costs in fiscal year 2001? How much was reimbursed?

Response:. Based on data in the Total Cost Accounting System, the costs of technical assistance work associated with EQIP contracts for FY 2001 was $107.7 million. NRCS was reimbursed $37,989,132 from CCC.

CONGRESSIONAL PROJECTS FUNDING

Mr. Bonilla: Please provide an update to the Committee regarding the following projects that were contained in either House Report 106-619 or House Report 106-948 including year-to-date obligations and projected end-of-year obligations for fiscal year 2002:

- Expand cooperative efforts with Delaware State University
- Creation and implementation of projects for innovative technology systems to treat waste and wastewater generated by confined animal feeding operations through organizations such as Florida Agricultural Resources Mobilization Foundation, Inc., and the North Carolina Agricultural Finance Authority to accelerate the process of selection, funding, implementing, and evaluating systems through pilot projects
- A cooperative agreement with the Georgia Soil and Water Conservation Commission to build surface water retention/pond projects
- Promote pastureland management and rotational grazing in Central New York
- Establish best management practices to individual farmers to reduce the impact of agriculture-related non-point sources of pollution in the Skaneateles and Owasco, New York watersheds
- Address agriculture noon-point source pollution in the Onondaga Lake Watershed
- The Trees Forever Program in Iowa
- The Trees Forever Program in Illinois
- Technical assistance to the Lake Tahoe Basin Soil Conservation Project

- Pilot program to improve telecommunications capabilities in remote areas of Texas serving mostly minority or disadvantaged populations
- EQIP funds for conservation measures in the Illinois River Basin
- Up to 500 acres from the wetlands reserve program to restore wetlands and purchase permanent easements in the Illinois River Basin
- DuPage County, Illinois for financial and technical assistance
- Bexar-Medina-Atascosa Watershed Project in Texas

[The information follows:]

CONGRESSIONAL PROJECTS STATUS

PROJECTS	FY 2002 Year-to-Date Obligations	FY 2002 Projected End-of-Year Obligations
Expand cooperative efforts with Delaware State University	$290,000	$290,000
Creation and implementation of projects for innovative technology systems to treat waste and wastewater generated by confined animal feeding operations through organizations such as Florida Agricultural Resources Mobilization Foundation, Inc., and the North Carolina Agricultural Finance Authority to accelerate the process of selection, funding, implementing, and evaluating systems through pilot projects	$4,600,000	$5,000,000
A cooperative agreement with the Georgia Soil and Water Conservation Commission to build surface water retention/pond projects	$935,000	$1,100,000
Promote pastureland management and rotational grazing in Central New York	$0	$500,000
Establish best management practices to individual farmers to reduce the impact of agriculture-related non-point sources of pollution in the Skaneateles and Owasco, New York watersheds	$0	$250,000
Address agriculture noon-point source pollution in the Onondaga Lake Watershed	$105,000	$250,000
The Trees Forever Program in Iowa	$0	$100,000
The Trees Forever Program in Illinois	$0	$100,000
Technical assistance to the Lake Tahoe Basin Soil Conservation Project	$46,000	$350,000
Pilot program to improve telecommunications capabilities in remote areas of Texas serving mostly minority or disadvantaged populations	$312,500	$3,000,000
EQIP funds for conservation measures in the Illinois River Basin	$0	$890,000
Up to 500 acres from the wetlands reserve program to restore wetlands and purchase permanent easements in the Illinois River Basin	FY 2001 earmark, no funding has been provided for FY 2002	
DuPage County, Illinois for financial and technical assistance	$0	$1,400,000
Bexar-Medina-Atascosa Watershed Project in Texas	$350,000	$2,870,000

FY 2002 RC&D AREA FUNDING

Mr. Bonilla: How many new RC&D areas were funded in fiscal year 2002? How much did each new area receive? How much does each area receive in fiscal year 2002?

Response: In FY2002, 20 new RC&D areas were designated by the Secretary of Agriculture and received funding from NRCS bringing to 368 the total number of RC&D areas funded. Each State Conservationist was allocated approximately $109,800 for each newly designated area. In FY2002, each NRCS State Office received approximately $109,000, each for all existing designated RC&D areas.

CONSERVATION OPERATIONS INCREASED FUNDING

Mr. Bonilla: The Conservation Operations account received an increase in the appropriation for fiscal year 2002 above the fiscal year 2001 level. What was the amount of that increase?

Response: The conservation operations account received an increase in funding of $66.307 million. The following table details the funding increases for fiscal year 2002.

[The information follows:]

CONSERVATION OPERATIONS FUNDING INCREASES
(Dollars in Thousands)

Conservation Operations:		
FY 2002 Appropriations Act		$712,793
Increases provided by House, Senate and Conference Action:		
Great Lakes Soil & Erosion Sedimant	$525	
Grazing Lands	3,500	
Snow Survey & SNOTEL	2,538	
Department of Interior Fish & Wildlife Service Pilot Program	5,000	
Full support of increased pay costs	24,417	
Central Alabama/Birmingham, AL	150	
Alabama Gulf Coast, AL	200	
Sand Mountain Water Quality Conservation Project, AL	300	
SWCD's, AK	750	
Harding Lake Association, AK	150	
Monteray Bay Sanctuary, CA	100	
Agriculture enhancement/open space plan, CA	375	
Lake Tahoe, CA and NV	100	
Nature Conservancy's Weed It Now (WIN) Initiative,CT, MA, and NY	100	
Manatee Agricultural Water Reuse System Project, FL	500	
Agriculture Water Conservation Initiative, GA	100	
Surface water retention/pond projects, GA	475	
Feasibility Study - Little Wood River, ID	500	
Minidoka, Idaho	500	
Pilot project, Illinois River Basin utilizing Conservation programs	50	
Embrass River Watershed and Shad Lake, IL	100	
Source Water Protection Initiative, IN, OH, and Missouri	150	
Loess Hills, IA	50	
Implement CEMSA, IA	200	
KY Soil Erosion Control Cost Share Program	1,700	
Accelerate KY Soil Survey Program	700	
Golden Meadow PMC, LA	100	
Cranberry production, MA and WI	600	
Chesapeake Bay, MD, VA, and PA	750	
Delta Consv. Demo Center, MS	500	
Lyon Creek, MS	400	
Cattle & Nutrient Management in stream crossings, MS	475	
Alcorn State, MS	75	
Wildlife Management Institute, MS	900	
Feasibility study in Choctaw County, MS	75	
Jamie Whitten PMC, MS	275	
Study establishment of Upper White River Basin office, MO	20	
State Cost Share Program, NJ	1,000	
Pace University, NY	130	

Westchester County SWCD, NY	25	
Beaver Swamp Brook TA environmental restoration, NY	300	
Improve nutrient management planning on dairy farms, NY	200	
Phase II of contract/Watershed Ag Council in Walton, NY	650	
Evaluation of dairy cattle manure as a biofuel, NC	50	
Maumee Watershed Hydrological Study & Flood Mitigation Plan, OH	1,000	
Develop Proposal - highway development in Northwest Ohio	50	
Oregon Garden, OR	25	
Advanced Wetland Plant Research - Hillsboro, OR	125	
Published soil surveys made available through Internet, PR	150	
Clemson University land use study, SC	250	
GIS Model, SC	50	
Damage to forest health from Pine Beetles, TN	250	
Bexar, Medina, Uvalde Counties area, Edwards Aquifer, TX	500	
Field Office telecommunications pilot program, West Texas	3,000	
Watershed Management Demonstration Program, TX	600	
Lake Champlain Alternative Technology, VT	75	
Aldo Leopold Foundation, WI	1,000	
Global Environmental Management Education Center, Stevens Point, WI	2,000	
Little Red River Irrigation Project, AR, WFPO	375	
Walnut Bayou Irrigation Project, AR, WFPO	125	
Upper Petit Jean Watershed project, AR, WFPO	150	
Barataria-Terrebone National Estuary Program, LA, EQIP	125	
Town Creek floodwater retarding structure, MA, WFPO	580	
Pellaphalia Creek floodwater retarding structure, MS, WFPO	575	
Strayhorn Creek Watershed bank stabilization structures,MS, WFPO	375	
Flood control, Pearl River, Dry Creek Watershed, MS, WFPO	430	
Grade stabilization structures - Skuna River, MS, WFPO	625	
Chickasaway River in Quitman, MS, WFPO	75	
Channel Work Coonewah Creek, Lee County, MS, WFPO	250	
Channel Mod. To Mill Creek watershed in Magee, MS, WFPO	900	
Red River Basin Flood Prevention Project, ND, WSP	700	
Not Specifically Identified	2,192	
Total, All Increases		66,307
Total Conservation Operations		$779,000

CONSERVATION OPERATIONS ALLOCATIONS

Mr. Bonilla:Please provide a table for the record that shows the fiscal year 2001 allocation to the states for the conservation operations account, the fiscal year 2002 allocations to the states for the conservation operations account, and the difference between the 2001 and 2002 allocation to the states for the account.

Response:A table that shows the fiscal year 2001 allocations to the states, the fiscal year 2002 allocations to the states, and the difference between the 2001 and 2002 allocation to the states for the Conservation Operations account will be provided for the record.

[The information follows:]

CONSERVATION OPERATIONS ALLOCATIONS – FY 2001 AND FY 2002

STATES	FY 2001 Allocation (excludes Carryover & Recoveries)*/1	FY 2002 Allocation (excludes Carryover & Recoveries)*/1	Difference FY 2001 to FY 2002 Allocations
Alabama	$12,806,400	$13,429,200	$622,800
Alaska	6,019,400	6,793,500	774,100
Arizona	6,544,400	7,427,700	883,300
Arkansas	12,429,600	13,149,100	719,500
California	18,290,600	19,718,000	1,427,400
Colorado	17,316,300	18,050,600	734,300
Connecticut	2,979,400	3,074,200	94,800
Delaware	3,031,400	3,127,400	96,000
Florida	14,714,400	15,745,800	1,031,400
Georgia	15,095,000	15,259,000	164,000
Hawaii	4,759,600	4,826,100	66,500
Idaho	10,286,600	11,571,200	1,284,600
Illinois	15,316,700	16,868,600	1,551,900
Indiana	13,494,200	14,879,100	1,384,900
Iowa	21,275,200	24,203,700	2,928,500
Kansas	22,867,900	23,478,400	610,500
Kentucky	14,296,900	16,302,300	2,005,400
Louisiana	10,358,600	11,249,400	890,800
Maine	4,255,400	4,275,000	19,600
Maryland	6,581,900	7,149,100	567,200
Massachusetts	3,595,900	3,913,500	317,600
Michigan	12,149,100	11,905,200	(243,900)
Minnesota	14,463,800	15,055,400	591,600
Mississippi	18,918,200	22,017,000	3,098,800
Missouri	22,353,400	22,725,300	371,900
Montana	18,313,400	18,470,100	156,700
Nebraska	17,452,200	18,148,600	696,400
Nevada	4,322,900	4,323,700	800
New Hampshire	2,790,100	2,872,400	82,300
New Jersey	4,360,200	5,214,500	854,300
New Mexico	10,704,100	9,404,600	(1,299,500)
New York	11,526,500	13,143,200	1,616,700
North Carolina	10,576,600	12,207,800	1,631,200
North Dakota	13,991,300	15,287,800	1,296,500
Ohio	13,801,300	15,661,100	1,859,800
Oklahoma	16,069,700	17,379,000	1,309,300
Oregon	10,284,500	11,595,300	1,310,800
Pacific Basin	2,221,000	2,250,600	29,600
Pennsylvania	10,623,000	11,203,600	580,600
Puerto Rico	3,869,600	3,679,400	(190,200)
Rhode Island	784,900	1,065,400	280,500
South Carolina	8,549,200	8,975,200	426,000
South Dakota	12,349,800	12,757,400	407,600
Tennessee	13,909,500	13,757,100	(152,400)

STATES	FY 2001 Allocation (excludes Carryover & Recoveries)*/1	FY 2002 Allocation (excludes Carryover & Recoveries)*/1	Difference FY 2001 to FY 2002 Allocations
Texas	40,710,700	45,699,800	4,989,100
Utah	7,082,900	7,396,600	313,700
Vermont	3,923,200	3,967,800	44,600
Virginia	11,011,600	10,999,500	(12,100)
Washington	12,114,000	12,303,200	189,200
West Virginia	10,160,200	10,546,700	386,500
Wisconsin	15,441,800	19,256,000	3,814,200
Wyoming	4,727,000	5,089,800	362,800
Regional Offices	11,687,400	11,981,000	293,600
Centers, Institutes & Cooperating Scientists	50,564,500	46,445,000	(4,119,500)
National Headquarters (including Working Capital Fund, etc.)	48,705,000	66,714,800	18,009,800
Unallocated	7,287,600	15,009,200	7,721,600
TOTAL	**$714,116,000**	**$779,000,000**	**$64,884,000**
*FOOTNOTES:			
1/-Includes CTA Base Allocation, Soil Surveys, Snow Surveys, Plant Materials Centers, Pay Costs, Congressional Earmarks, & Non-recurring adjustments.			

CONSERVATION RESERVE PROGRAM COSTS

Mr. Bonilla: What is the cost for the NRCS to carry out the technical assistance associated with the Conservation Reserve Program in fiscal year 2002? 2003?

Response: In FY 2002, a general signup of CRP acres is not being held, so technical assistance costs will be a result solely of acres signed up through the continuous and farmable wetlands programs. Technical assistance will be funded through provisions in the FY 2002 Appropriations Act permitting use of $13 million in funds from the Environmental Quality Incentives Program and through a pilot program of direct contracts between the Commodity Credit Corporation and private entities. For FY 2003, technical assistance needs will depend on the outcome of the Farm Bill deliberations on the reauthorization of the CRP.

WETLANDS RESERVE PROGRAM COSTS

Mr. Bonilla: What is the cost for the NRCS to carry out the technical assistance associated with the Wetlands Reserve Program in fiscal year 2003?

Response: NRCS does not anticipate enrolling new acreage in WRP in 2003 since the program has met its statutory enrollment goal. However, the cost for the NRCS to carry out the associated technical assistance for monitoring restored projects in FY 2003 would be $4.9 million. The Farm Bill will determine the FY 2003 WRP funding level. The current estimated technical assistance cost per new acre enrolled is $95 and $5 per acre for monitoring of acres enrolled in WRP.

WETLANDS RESERVE PROGRAM ACRES

Mr. Bonilla: How many acres were enrolled in the Wetlands Reserve Program at the end of fiscal year 2001?

Response: There were 1,074,245 acres enrolled in the Wetlands Reserve Program at the end of fiscal year 2001.

COLLEGES AND UNIVERSITIES AGREEMENTS

Mr. Bonilla: Please provide for the record, for fiscal year 2001, a list of all colleges and universities that the NRCS has a financial relationship with through a contract, cooperative agreement, etc. Include the dollar amount and the purpose of the contract or agreement and how that purpose benefits USDA conservation programs.

Response: The information for fiscal year 2001 is provided for the record. Cooperative agreements with colleges and universities benefit USDA Conservation Programs by supporting the need for well-defined scientific knowledge regarding issues such as: water quality and management; soil quality, crop canopy; geographic information systems, wildlife management, environmental sciences, and grazing land. These agreements also support projects to monitor and improve water quality, provide outreach activities for minority and limited resource farmers and under-served communities that

provide information on the USDA-NRCS programs which may assist them to improve soil and water quality on the land. A number of the agreements help develop natural resources course materials and curriculum, and support initiatives to attract and retain more minorities into agriculture and related sciences (many of the NRCS agreements are with Hispanic Association of Colleges and Universities, Hispanic Serving Institutions, Historically Black Colleges and Universities, and Tribal Colleges and Universities).

[This information follows:]

COLLEGES AND UNIVERSITY – CONTRACTS AND AGREEMENTS
Fiscal Year 2001

University Name	Research Develop.	Program Evaluation	Training	Facilities/ Equipment	Fellow.& Recruit.	Tuition & Other	Total
Alabama A&M University	0	276,822	0	0	0	8,000	284,822
Alcorn State University	226,000	221,458	0	0	0	3,300	450,758
American University	0	0	5,000	0	0	0	5,000
Arizona State Univ. Board of Regents	0	0	0	44,347	0	0	44,347
Arkansas State University – Jonesboro	37,000	0	0	0	0	0	37,000
Auburn University	13,000	0	0	0	0	24,000	37,000
Ball State University	0	0	0	0	0	3,000	3,000
Bowie State University	0	0	0	0	0	600	600
California State University-Sacremento	0	0	4,000	0	0	0	4,000
California Polytechnic University	1,000	0	0	0	0	0	1,000
Central State Univ.	0	0	0	4,000	0	0	4,000
Clemson University	272,727	0	0	0	0	0	272,727
Colorado State Univ.	79,000	0	435	0	0	0	79,435
Community College of Vermont	29,000	0	0	0	0	0	29,000
CSU Polytechnic Univ.	1,000	0	0	0	0	0	1,000
Delaware State Univ.	0	220,350	0	290,000	0	0	510,350
Delaware Technical Community College	0	0	0	0	0	5,500	5,500
Florida A & M	0	276,822	0	0	0	10,000	286,822
Fort Berthold Community College	0	166,093	0	0	0	0	166,093
Fort Peck Community College	0	221,458	0	0	0	0	221,458
Fort Valley University	0	220,000	0	0	0	11,000	231,000
George Washington University	0	0	940	0	0	0	940
Harvard	0	0	6,795	0	0	12,000	18,795
Hinds Community University	0	0	0	0	0	600	600
Iowa State University	2,436,220	0	1,000	0	0	3,000	2,440,220
James Madison Univ.	0	0	399	0	0	0	399
Kansas State University	82,000	0	0	0	0	0	82,000
Kentucky State University	0	268,603	9,000	0	0	4,000	281,603
Langston University	472,000	276,822	0	23,000	0	60,000	831,822
Lincoln University	0	0	21,000	21,000	0	7,000	49,000
Little Bigh Horn College	0	60,000	0	0	0	0	60,000
Louisiana State University	25,000	0	0	5,000	0	0	30,000

University Name	Research Develop.	Program Evaluation	Training	Facilities/ Equipment	Fellow.& Recruit.	Tuition & Other	Total
Michigan State Univ.	0	0	18,000	0	0	0	18,000
Mississippi State Univ.	64,800	0	0	0	0	6,000	70,800
Montana State Univ.	0	65,000	0	0	0	3,000	68,000
New Mexico State University	0	276,822	0	0	0	0	276,822
North Carolina A&T State University	0	157,875	5,532	0	0	70,000	233,407
North Carolina State University at Raleigh	0	0	3,225	0	0	1,000	4,225
North Dakota State Univ.	0	1,000	7,000	0	0	0	8,000
Ohio State University	166,000	31,000	0	0	0	0	197,000
Oklahoma State Univ.	97,000	0	6,000	295,000	0	0	398,000
Oregon State University	0	50,000	0	2,000	0	0	52,000
Pace	0	0	50,000	0	0	0	50,000
Penn State University	35,000	0	0	0	0	5,000	40,000
Prairie View A & M	45,000	221,458	0	1,000	0	0	267,458
Prince George's Community College	0	0	925	0	0	0	925
Purdue University	253,000	0	0	0	0	0	253,000
Rutgers University	0	0	0	0	0	1,000	1,000
San Jose State Univ.	0	0	0	0	0	1,000	1,000
South Carolina State University	0	0	2,622	0	0	0	2,622
Southern State Community College	0	0	0	5,000	0	0	5,000
Southern Union State College	0	0	0	0	0	1,000	1,000
Southern University	0	221,458	0	0	0	3,000	224,458
St. Lawrence University	7,050	0	0	0	0	0	7,050
Tarleton	400,000	0	0	0	0	0	400,000
Tennessee State Univ.	1,000	276,822	2,000	0	0	10,000	289,822
Texas A&M University, all Campuses	260,000	0	40,250	0	0	0	300,250
Texas Christian Univ.	0	0	19,100	0	0	0	19,100
Texas Tech	0	0	0	0	0	1,000	1,000
Texas Tech University	0	0	7,600	0	0	0	7,600
Tufts University	0	138,411	0	0	0	0	138,411
Tuskegee University	0	284,322	0	0	0	7,000	291,322
University of Alaska	0	0	0	0	0	95,000	95,000
University of Arizona	0	0	0	0	0	1,000	1,000
University of Arkansas at Fayetteville	31,000	0	0	0	0	0	31,000
University of Arkansas at Monticello	0	0	0	0	0	2,000	2,000
University of Arkansas Pine Bluff	210,000	276,822	0	0	0	19,700	506,522

University Name	Research Develop.	Program Evaluation	Training	Facilities/ Equipment	Fellow.& Recruit.	Tuition & Other	Total
Univ. of California	103,000	0	39,100	19,000	0	0	161,100
Univ. of Connecticut	0	0	425	0	0	0	425
University of Florida	0	0	1,495	0	0	0	1,495
University of Georgia	6,900	0	0	0	0	0	6,900
University of Hawaii	35,000	0	15,000	0	0	1,000	51,000
University of Idaho	0	1,000	0	0	0	300	1,300
University of IL-Urbana-Champaign	0	0	0	0	0	15,000	15,000
University of Kentucky	0	0	0	0	0	1,000	1,000
University of Maryland, College Park	10,400	0	3,683	0	0	0	14,083
University of Maryland-Eastern Shore	0	0	0	0	0	0,000	10,000
Univ. of Massachusetts	135,000	0	0	0	0	2,000	137,000
University of Michigan, all Campuses	0	0	0	0	0	6,348	6,348
University of Nebraska	0	0	115	25,442	0	54	25,611
University of Nevada	0	0	1,800	46,000	0	100	47,900
University of Pittsburg	0	0	0	0	0	1,000	1,000
University of Puerto Rico Rio Piedras Campus	0	221,458	0	0	0	0	221,458
University of Tennessee-Knoxville	0	0	0	0	0	1,000	1,000
University of Texas – Pan American	0	276,822	0	0	0	0	276,822
University of Toledo	39,000	0	0	0	0	0	39,000
Univ. of South Carolina	550,000	0	0	0	0	0	550,000
University of Utah	0	0	0	5,000	0	0	5,000
University of Virginia	0	0	10,000	0	0	5,000	15,000
Univ. of Wisconsin – Madison	511,130	0	1,195	0	0	1,000	513,325
Univ. of Wisconsin – Platteville	0	0	0	0	0	2,000	2,000
Univ. of Wisconsin - River Falls	0	0	0	0	0	2,000	2,000
Univ. of Wisconsin - Stevens Point	0	0	0	0	0	5,000	5,000
USDA - Graduate School	0	0	8,000	0	0	21,035	29,035
Utah State University	0	0	37,475	0	2,500	0	39,975
Virginia Polytechnic Institute	69,000	0	0	0	0	0	69,000
Virginia State Univ.	0	166,093	0	0	0	0	166,093
Washington State Univ.	0	0	0	5,000	0	60,000	65,000
Wilmington College	0	14,600	0	0	0	0	14,600
Yale University	0	0	6,000	0	0	0	6,000
TOTAL	6,703,227	4,889,391	335,111	790,789	2,500	512,537	13,233,555

PERSONNEL ACTIONS

Mr. Bonilla: Does NRCS anticipate the use of any personnel action in fiscal year 2002 that would lead to a reduction-in-force, lay-off, or furlough of NRCS employees?

Response: NRCS does not anticipate the use of any personnel action in fiscal year 2002 that would lead to a reduction-in-force, lay-off or furlough of NRCS employees.

Mr. Bonilla: Does NRCS anticipate the use of any personnel action in fiscal year 2003 that would lead to a reduction-in-force, lay-off, or furlough of NRCS employees?

Response: NRCS does not anticipate the use of any personnel action in fiscal year 2003 that would lead to a reduction-in-force, lay-off or furlough of NRCS employees.

FUNDING FOR RC&D APPLICATIONS

Mr. Bonilla: What is the funding level needed to designate RC&D areas for all that have applied?

Response: As of February 28, 2002, there are 20 applications on file for designation. The average cost to NRCS to fully support an RC&D area is approximately $167,000 per year. Full support to a designated area includes a Federal coordinator, an administrative assistant, a computer, office space, related utilities, supplies, a vehicle, and management at the state and national levels. To fund these 20 applicants currently on file the agency would need an additional $3.34 million in RC&D appropriated funds. The agency also expects 10 additional applications to be filed by September 30, 2002.

ROLE OF RC&D COUNCILS

Mr. Bonilla: What role do RC&D councils have in identifying conservation priorities using the " locally-led" process? Provide some examples for the record.

Response: RC&D Councils, made up of volunteers representing public and private sector sponsors and other local organizations, undertake community driven actions that are strategically focused on regional resource conservation and economic viability. RC&D Councils, with public involvement, develop area plans to address their locally identified concerns.

RC&D Councils at the local level carry out a variety of resource conservation projects. Following are two examples: The Alamo RC&D (TX) is working with the Wilson County and San Antonio River Authority to clean up failing house sewage treatment systems. Wilson County is in southern central Texas has a high number of failing house sewage treatment systems. These failing systems have the potential to adversely impact the environment and the health of the residents. Alamo Valley RC&D with financial assistance from the Texas Natural Resources Commission is assisting the county in long term planning and implementing an educational and environmental awareness program that assists homeowners in addressing the problem.

The Western Reserve RC&D Council (OH) is implementing a project to protect water quality and is promoting the use of conservation easements along riparian areas to protect water quality. The RC&D is located in a section of Ohio where urban sprawl including loss of open land is a major issue. The RC&D promotes the use of the NRCS Wetland Reserve Program as a tool to protect riparian corridors. In this project, the Western Reserve RC&D has brought together a local Chapter of the Boy Scouts of America, NRCS, and the Local Soil and Water Conservation District to preserve 5 miles of stream corridor. The property is used as a Camp that serves over 24,000 youth annually.

GRAZING LAND CONSERVATION INITIATIVE INCREASE

Mr. Bonilla: For fiscal year 2002, Congress provided $21.5 million for Grazing Land Conservation. What is NRCS able to accomplish with the $3.5 million increase in funding for this initiative?

Response: The additional Grazing Land Conservation Initiative (GLCI) funds are continuing to allow NRCS to provide technical assistance at local level. The $3.5 million increase will enable NRCS to provide additional staff to provide technical assistance to grazing landowners and operators and it will provide funds for additional demonstration projects on grazing lands. Some of the environmental benefits resulting from this funding would include increasing the value of the forage for domestic livestock as well as providing economic stability to rural communities. Furthermore, the increased funding will also improve the health of grazing land by improving management techniques by developing grazing systems that has a direct relationship with improving the quality of the soil and water resources. This results in cleaner water for human use and for fish and wildlife.

We recently established a permanent full time National GLCI Coordinator and several full time regional coordinators to allow us to work more effectively with the GLCI coalitions at the state and national level. We are providing assistance in the development of a National Grazing Land Conference on Grazing Lands that is being sponsored by the National GLCI Steering Committee to be held next year.

NATIONAL GRAZING LANDS

Mr. Bonilla: How much funding and what types of conservation efforts would be needed to fully address the problems facing grazing lands in this nation?

Response: The Nation's grazing lands total 583 million acres and includes pastureland, rangeland, and grazed forestland. The primary costs associated with addressing the problem is for staff to provide Conservation Technical Assistance (CTA), and to develop and provide new technology to the owners and managers of the private grazing land on a voluntary basis. An estimate from the latest workload analysis indicates that an additional 355 million acres of grazingland are in need of conservation treatment. About 35.5 million acres would need treatment annually to address the resource concerns in a 10-year time period. At the current rate of investment, about 32% of the conservation need on grazing land is being met by providing technical assistance so considerably more staffing resources could be directed

to this effort. Using a rough estimate of $10 per acre for financial assistance would amount to a cost of $355 million needed for financial assistance. Currently it is estimated that $52 million for financial assistance (1/3 of the EQIP allocation) is being utilized annually from the Environmental Quality Improvement Program for financial assistance to producers on grazing land.

WATERSHED PROJECTS BACKLOG

Mr. Bonilla: What is the number of watershed projects that is currently in backlog? How are you working off watershed projects backlogs?

Response: There are presently 513 active PL-566 projects and 9 PL-534 projects. The unfunded commitment (backlog) for the Watershed Program (PL-566 and PL-534) is approximately $1.6 billion.

NRCS continues to work with project sponsors to resolve the unfunded federal commitment of authorized projects. This is accomplished in one of three ways. Congressional appropriations are used to complete all remaining phases of a project. The project is listed as ***installed,*** and as such is removed from the list. Records are maintained on installed projects until all Federal benefits are realized and all operation and maintenance is complete, after which they are listed as ***project life over.*** When appropriate, the watershed plan is revised or supplemented to demonstrate that remaining planned actions are no longer needed, or have been satisfied through means other than Watershed Operations. Such projects are designated by **installed as *modified,*** and removed from the list. Finally, NRCS and the project sponsors unanimously agree that a project is no longer viable or feasible and the project is ***deauthorized,*** which removes it from the list.

Response: A list of the projects modified or deleted in fiscal year 2001 and so far in fiscal year 2002 will be provided for the record.

[The information follows:]

WATERSHED PROJECTS MODIFIED OR DELETED DURING FY 2001

STATE	PROJECT NAME	DATE
TEXAS	THREE MILE AND SULFER DRAW	09/01
TEXAS	RUSH CREEK	12/00
TEXAS	HITSON; C&L AND WASHBURN DRAWS	09/01
MISSOURI	MOZINGO CREEK	01/01
MICHIGAN	BARAGA VILLAGE	12/00
GEORGIA	UPPER FIFTEEN-MILE CREEK	07/01
GEORGIA	SHOAL CREEK	07/01
GEORGIA	HORSE CREEK	07/01
GEORGIA	CASON BRANCH-DUHART CREEK	07/01
GEORGIA	BEAVER CREEK	07/01

RC&D APPLICATIONS PENDING APPROVAL

Mr. Bonilla: How many RC&D applications are pending approval at the Department now? How many new applications does the fiscal year 2003 budget request propose to fund?

Response: Presently, there are 20 RC&D applications pending approval at USDA. The fiscal year 2003 budget proposal will provide basic funding to the existing 368 RC&D Council areas and does not provide for designation of any new RC&D Council areas.

RC&D COUNCIL FUNDING

Mr. Bonilla: What is the fiscal year 2002 allocation for each RC&D council? What is the projected fiscal year 2003 allocation per RC&D council?

Response: In fiscal year 2002, $48,048,000 was provided in the appropriation and is used to support 368 RC&D Council areas, and national and regional program operation and support cost. Each State Conservationist received $109,800 in FY 2002 funds to support each designated area. After adjustments for pay cost and related benefits, the allocations will be comparable to FY 2002.

Mr. Bonilla: How many RC&D councils are currently funded? How many councils would be funded if this program were fully funded?

Response: Currently, 368 RC&D Councils receive basic funding of approximately $109,800 each. The average cost to NRCS to fully support an RC&D area is approximately $167,000 per year. Full support to a designated area includes a Federal coordinator, an administrative assistant, a computer, office space, related utilities, supplies, a vehicle, and management at the state and national levels. As of February 28, 2002, there are 20 applications on file for designation. To fund these 20 applicants currently on file the agency would need an additional $3.34 million in RC&D appropriated funds. The agency also expects 10 additional applications to be filed by September 30, 2002 and $1.67 million to fund those.

TECHNICAL ASSISTANCE FUNDING FOR AFOs

Mr. Bonilla: How much of NRCS technical assistance is directed towards nutrient management and water quality concerns associated with animal feeding operations in fiscal year 2002?

Response: In fiscal year 2002, NRCS estimates it will spend $71.4 million in Conservation Technical Assistance (CTA) and Environmental Quality Incentives Program (EQIP) funds to assist owners and operators of animal feeding operations address nutrient management and water quality concerns. In addition, an estimated $57.5 million from EQIP will be invested in financial assistance to AFO owners and operators and $12 million from CTA will be directed to support technology development, training, and other activities to expedite assistance to AFOs.

TECHNICAL ASSISTANCE FUNDING FOR AFOs

FISCAL YEAR	2001	2002
Funding		
CTA–technical assistance	$57,930,000	$57,930,000
EQIP–technical assistance	$13,500,000	$13,500,000
Total–technical assistance	$71,430,000	$71,430,000
CTA–training and technology development	$12,000,000	$12,000,000
EQIP–financial assistance	$57,500,000	$57,500,000
Total	$140,930,000	$140,930,000
FTEs		
CTA	631	631
EQIP	198	198
Total	829	829

FTEs – Full Time Equivalents (Positions Funded)

RC&D APPLICANT AREAS

Mr. Bonilla: Please submit a list of the current RC&D applicant areas and locations. Tell the committee how many communities are working on applications to become designated RC&D councils? How many applications are expected to be on file at NRCS by September 2002? How do you intend to deal with these requests?

Response: Currently 20 applicants are pending. The area names and locations are listed below:

[The information follows:]

RC&D PENDING APPLICATIONS

STATE	
AK	Delta Region
AK	Lower Yukon
AK	Northwest Arctic Borough
CA	North Coast
CA	San Francisco Bay
CO	Northeast Colorado
FL	East Central Florida
FL	Floridan
FL	Gator Country
FL	Northeast Florida
FL	Suncoast
IL	Post Oak Flats
IA	Northwest Prairie
MI	Southeast Michigan
NE	Sandhills
NJ	Northeast New Jersey
NC	Four Rivers
PR	Oriente
TX	Sabine-Neches
VA	South Hampton Roads

Ten RC&D Councils have informed the agency that they are working on applications to become designated RC&D Councils for fiscal year 2003. The agency expects a total of 30 applications for RC&D designation to be on file by September 2002. The fiscal year 2003 budget proposal will provide basic funding to the existing 368 RC&D Council areas. It does not provide for designation of any new RC&D Council areas.

FULL FUNDING FOR RC&D COUNCILS

Mr. Bonilla: What level of funding is needed to fully fund the 368 RC&D areas and the applicant areas?

Response: The average cost to NRCS to fully support an RC&D area is approximately $167,000 per year. Full support to a designated area includes a Federal coordinator, an administrative assistant, a computer, office space, related utilities, supplies, a vehicle, and management at the state and national levels. Full funding of the existing 368 RC&D Council areas would amount to $61,456,000.

Mr. Bonilla: At the current funding level appropriated, can the agency fully support the RC&D program? At the President's budget request, can the

agency fully support the RC&D program? What level of funding is needed to fully support the program?

Response: At the current funding level appropriated, the agency can provide basic funding of approximately $109,763.31 to each of the 368 authorized RC&D Councils. The average cost to NRCS to fully support an RC&D area is approximately $167,000 per year. Full support to a designated area includes a Federal coordinator, an administrative assistant, a computer, office space, related utilities, supplies, a vehicle, and management at the state and national levels. The President's budget request would maintain this level of support.

The average cost to NRCS to fully support an RC&D area is approximately $167,000 per year. Full funding of the existing 368 RC&D Council areas would require $61,456,000.

PERFORMANCE GOAL PILOT PROJECT

Mr. Bonilla: According to the budget, NRCS will have a performance goal pilot program that will be completed by April 2002. Please provide a copy for the record. How does this differ from performance goals currently in place? What is the cost for this new program? What are the benefits?

Response: In the past, performance goals were developed at the national level based on past performance and direction from the Administration and Congressional directives. These goals were provided to the Regional Offices to be distributed to the states. On April 1, 2002, NRCS will complete implementation of a web-based performance-planning tool that records goals for 21 performance measures by county, by fiscal year quarter and by program. The new web-based process, currently being implemented, includes the annual development of goals at the field office level. Goals determined at the field office level will be more realistic since they are developed at the level of the organization where knowledge of local issues and resources can best be estimated. The field office goals are compiled into state, regional, and national goals. This improved management tool that will allow managers throughout the agency, from the field level to National Headquarters, to set priorities, monitor progress, and adjust staff and activities as funding levels and conditions warrant and will ensure that all activities of the agency are coordinated and aligned with the goals and objectives of the agency strategic plan. Progress reported through the Performance and Results Measurement System will be monitored at all organizational levels and will enable NRCS to be accountable to USDA, OMB, Congress and NRCS customers and partners.

The cost of programming the web-based data collection system was approximately $25,000.

WATERSHEDS PROGRAM

Mr. Bonilla: The watershed and Flood Prevention Operations program is proposed to be replaced by an Emergency Watershed Program. Is the Administration, in other parts of the budget request, encouraging programs that include cooperative actions between the Federal government, States and local governments? Does the Watershed and Flood Prevention Operations program

Watershed and Flood Prevention Operations program in the Environmental Protection Agency budget request?

Response: The administration is encouraging local communities to request this type of assistance from State and local agencies. The Watershed and Flood Prevention Operations Program meets the cooperative objective. The budget does not provide for the responsibilities to be assumed by other Federal agencies.

FORESTRY INCENTIVES PROGRAM

Mr. Bonilla: According to the budget request, the Forestry Incentives Program falls within the category of having not performed well, having a limited scope, or having goals that can be better addressed through other programs. What other programs and corresponding funding levels are available to carry out this work?

Response: The Stewardship Incentive Program (SIP), administered by USDA's Forest Service, is the other forestry cost-share program. In FY 2002, the SIP was funded and received an appropriation of $3 million.

FUNDING OF NEW INFORMATION TECHNOLOGY THROUGH CCE

Mr. Bonilla: Why are information technology programs for NRCS funded out of the CCE? How much is NRCS spending on information technology in fiscal year 2002? For the record, provide the Committee with an itemized report on NRCS IT spending to include personnel, hardware, software, applications, and telecommunications. If the 2003 budget request for CCE were approved, would the NRCS spend funds on information technology also? If so, how much?

Response: NRCS has been working with the USDA Service Center Modernization Initiative (SCMI) to restructure county field offices, modernize and integrate business approaches and replace the aging information systems with a modern common computing environment (CCE) that optimizes information sharing, customer service, and staff efficiencies. The funds that are requested through the CCE account would fund essential capital investments needed to implement the technology component of the modernization plan. In lieu of providing the funding to each individual agency, USDA is requesting funding be provided through the CCE account. Funding already built into agency budgets to support the CCE remains within each agency's budget.

NRCS continues to fund information technology programs as follows:

	FY 2002	FY 2003
Personnel	$34,334,000	$35,385,000
Hardware	3,625,000	3,300,000
Software	1,567,000	1,253,000
Applications	3,100,000	3,100,000
Telecommunications	4,700,000	1,800,000
Other IT Support costs including Security, USDA Infrastructure, & Telephones	26,750,000	25,650,000
Planned NRCS IT Funding Total	$74,526,000	$70,728,000

EMERGENCY WATERSHED PROTECTION

Mr. Bonilla: The proposal for the Emergency Watershed Protection appears to be confusing. The proposed appropriations language in the appendix indicates that the amount being proposed is $111,389,000. The narrative following the tables in the appendix states that the budget provides $110 million for the program in 2003. Which number is correct? The narrative further explains that the amount is equal to the 10-year average on spending. Is this a 10-year average of the Watershed and Flood Prevention Operations appropriation for the last 10 years or some other 10-year period, or a 10-year average of the Emergency Watershed Program for the last 10 years, or some other 10-year period? Provide the data used to calculate this average. Why would OMB use something other than the last 10 years of data to calculate this average?

Response: The correct number is $111,389,000. This number is composed of the $110 million mentioned in the narrative plus $1,389,000 for this program's share of the proposed legislation requiring agencies, beginning in fiscal year 2003, to pay the full Government share of the costs for accruing employee pension and annuitant health benefits. The 10-year average was based on the Emergency Watershed Program only, not the total Watershed and Flood Prevention Operations appropriation. The fiscal years averaged were 1991 through 2000. Fiscal Year 2001 was not used because the Emergency Watershed Program is funded through supplemental not annual appropriations. Therefore, 2001 could not be used until the end of the fiscal year and the budget cycle for 2003 began before the end of 2001.

[The information follows:]

Fiscal Year	EWP Appropriation
1991.....	$19,999,751
1992.....	82,028,000
1993.....	86,144,000
1994.....	347,973,000
1995.....	--
1996.....	80,514,000
1997.....	229,000,000
1998.....	80,000,000
1999.....	95,000,000
2000.....	84,000,000

WATERSHED AND FLOOD PREVENTION OPERATIONS FUNDING REQUEST

Mr. Bonilla: Provide for the record the NRCS request to the Department, the Department's request to OMB, and the President's request to Congress for fiscal year 2003 for the Watershed and Flood Prevention Operations account.

Response: Agency and Department materials used in developing the FY 2003 President's budget are considered " pre-decisional" materials and therefore remain a matter of internal record.

DRAFT ENVIRONMENTAL IMPACT STATEMENT FOR EWP

Mr. Bonilla: Tell the Committee how publishing a draft EIS improves the delivery and defensibility of the program? Provide a copy of the draft EIS for the record.

Response: The original Emergency Watershed Protection (EWP) program Environmental Impact Statement (EIS) was prepared by NRCS in 1975, more than 25 years ago. Since that time, a number of policy changes were made to the program and new tools and techniques had been developed for use in the EWP program. NRCS National Environmental Policy Act (NEPA) compliance was questioned and there was more of a burden for NEPA compliance at a site-specific level. In addition, NRCS is proposing regulatory improvements to the EWP program based in part on findings from an NRCS internal oversight and evaluation review. During its review of the regulatory workplan, OMB determined these changes to be " significant." Therefore, NRCS determined it would initiate an EIS process to achieve a number of goals, such as: obtaining public and governmental agency input to improve the NRCS decision-making process; improving communications with States, tribes and interested persons about the program; ensuring program delivery is not halted because of challenges to NEPA compliance; meeting NEPA requirements in a manner that minimizes paperwork at the local level and speeds implementation of EWP activities; and ensuring proposed changes are responsive to public concerns about the environmental impacts of certain EWP activities. The draft programmatic EIS analyzes policy changes and technical improvements to the EWP program that have occurred since the 1975 EIS, including the floodplain easement portion of the EWP program and the use of bioengineering techniques.

A compact disk containing the draft Programmatic EIS can be provided to the Committee if needed.

RESOURCE CONSERVATION AND DEVELOPMENT

Mr. Bonilla: According to page 129 of the budget appendix, the amount proposed for deletion for Resource Conservation and Development is $43,048,000. Please provide a page reference from Public Law 107-76 for this number that is proposed for deletion.

Response: The $43,048,000 was printed in error. The FY 2002 amount that should have been shown in the budget appendix for deletion for the Resource Conservation and Development program is $48,048,000.

URBAN RESOURCES PARTNERSHIP

Mr. Bonilla: A GAO Report on the Urban Resources Partnership Program was completed in November 2000. The explanatory notes indicate that NRCS is implementing management decisions. How can the NRCS be implementing management decisions for a program that is no longer funded?

Response: NRCS terminated all Urban Resources Partnership (URP) activities in January 2001. The terminology " management decision" is used by the Office of the Inspector General (OIG) for agreed-to, corrective actions to be taken by an USDA agency evolving from an OIG audit or review. There are remaining corrective actions, or management decisions, based an OIG audit of

URP completed in November 1999. These are strictly administrative actions being taken in accordance with OIG recommendations.

CONSERVATION RESERVE PROGRAM TECHNICAL ASSISTANCE FUNDING

Mr. Bonilla: The fiscal year 2002 Agriculture Appropriations Act gave the Secretary the authority to transfer up to $13,000,000 from EQIP for CRP technical assistance. Was this authority used?

Response: Yes, the $13 million from EQIP has been apportioned for CRP technical assistance.

ILLINOIS RIVER BASIN PILOT PROJECT

Mr. Bonilla: Public Law 107-76 provided authority for the Secretary to develop and implement a pilot project utilizing conservation programs for soil, water, wetlands, and wildlife habitat enhancement in the Illinois River Basin. Has this authority been used? If so, please provide the details of this program including all costs to carry it out. If not, does the Department plan to use this authority before the end of fiscal year 2002?

Response: This authority has been used. NRCS is providing technical assistance to producers in the Illinois River Basin under all available Farm Bill programs (CRP, EQIP, WRP, WHIP, and FPP). NRCS in Illinois is designating over $600,000 in EQIP and continuing to provide technical assistance support to CRP, WRP, WHIP, and FPP funding will not be available in FY 2002 unless action is taken in the Farm Bill to extend and expand these programs.

TANANA RIVER ASSISTANCE

Mr. Bonilla: Section 754 of P.L. 107-76 provided authority for the Secretary of Agriculture to provide financial and technical assistance related to the Tanana River bordering the Big Delta State Historical Park. Has this authority been used? If so, please provide the details regarding this assistance including all costs to carry it out. Is there a requirement to continue this fiscal year 2003?

Response: $340,000 was allocated to NRCS in Alaska to fund a memorandum of agreement with the local sponsors on installing the project. NRCS is finalizing the agreement and plans are rapidly being finalized. It is anticipated that the project will be completed with the funds allocated in fiscal year 2002.

NRCS OFFICE CLOSURES

Mr. Bonilla: Has NRCS closed any offices in fiscal year 2002? Does the NRCS plan to close any offices in fiscal year 2003?

Response: NRCS has not closed any service center offices in FY 2002. The Illinois and Vermont State offices were relocated in order to collocate with one other Service Center Agency. In FY 2002, one of the Department's Service Center Modernization Initiatives is to develop a plan to begin the consolidation of up to 200 additional FSA and NRCS offices in FY 2003.

ALLOCATION OF GRAZING LANDS CONSERVATION INITIATIVE FUNDING

Mr. Bonilla: How was the $21,500,000 appropriation for the grazing lands conservation initiative allocated?

Response: A State listing of the $21,500,000 appropriated for the grazing lands conservation initiative will be provided for the record.

[The information follows:]

GRAZING LANDS CONSERVATION INITIATIVE
ALLOCATION OF FY 2002 FUNDS

STATE	ALLOCATION
Alabama	$495,000
Alaska	379,000
Arizona	597,000
Arkansas	382,000
California	549,000
Colorado	449,000
Connecticut	65,000
Delaware	74,000
Florida	470,000
Georgia	319,000
Hawaii	85,000
Idaho	315,000
Illinois	454,000
Indiana	336,000
Iowa	472,000
Kansas	427,000
Kentucky	424,000
Louisiana	639,000
Maine	174,000
Maryland	149,000
Massachusetts	64,000
Michigan	291,000
Minnesota	501,000
Mississippi	369,000
Missouri	696,000
Montana	545,000
Nebraska	570,000
Nevada	156,000
New Hampshire	75,000
New Jersey	67,000
New Mexico	726,000
New York	456,000
North Carolina	265,000
North Dakota	405,000
Ohio	421,000
Oklahoma	883,000
Oregon	424,000
Pacific Basin	42,000
Pennsylvania	466,000
Puerto Rico	172,000
Rhode Island	70,000
South Carolina	$263,000
South Dakota	842,000
Tennessee	517,000
Texas	1,761,000
Utah	393,000
Vermont	288,000
Virginia	508,000
Washington	313,000
West Virginia	423,000
Wisconsin	714,000
Wyoming	434,000
Northern Plains	126,000
TOTAL	***$21,500,000***

STATE LISTING OF SOIL SURVEYS

Mr. Bonilla: Please provide a table that shows the number of soil surveys and costs to complete and publish those surveys on a state-by-state basis to include fiscal year 2001 actuals and fiscal years 2002 and 2003 estimates.

[The information follows:]

COST TO COMPLETE AND PUBLISH SOIL SURVEYS

States	Area_Name	FY 2001 Actual Publication	FY 2002 Estimated Publication	FY 2003 Estimated Publication	Total Survey Cost Estimate
ALABAMA	Marengo	$23,583			$1,887,210
CALIFORNIA	Stanislaus Western Part	$39,202			$1,182,645
FLORIDA	Gulf	$46,139			$1,098,000
IDAHO	Adams-Washington Area	$39,182			$2,763,240
ILLINOIS	Hancock	$46,698			$1,563,660
KENTUCKY	Breckinridge & Meade	$34,321			$1,747,275
LOUISIANA	East & West Feliciana Parishes	$25,734			$1,693,800
MINNESOTA	Otter Tail	$79,203			$3,558,250
MISSOURI	Laclede	$25,176			$1,474,887
MONTANA	Helena National Forest	$14,214			$2,898,300
NEBRASKA	Sheridan	$67,496			$4,746,567
NEVADA	Churchill Parts (Lyon Cos.)	$56,965			$4,952,268
NEVADA	ElkoSoutheast Part	$63,987			$5,801,346
NORTH CAROLINA	Hyde	$41,175			$2,613,408
OREGON	Upper Deschutes River Area	$66,457			$4,573,929
TENNESSEE	Trousdale	$17,886			$335,250
TENNESSEE	Grundy	$24,688			$693,600
TEXAS	Lampasas	$20,845			$1,371,072
TEXAS	McLennan	$40,060			$1,426,240
WEST VIRGINIA	Wayne	$25,985			$1,311,600
WISCONSIN	Barron	$27,112			$1,195,314
WISCONSIN	Jackson	$37,074			$1,919,637
WYOMING	Laramie	$29,894			$2,038,548
ALASKA	LOWER KENI PENN.		$8,440		$422,000
ALASKA	GERSTLE RIVER		$11,610		$248,400
ALASKA	NORTH STAR		$25,231		$2,254,500
ALASKA	MATANUSKA/SUSITNA VALLEY		$53,202		$1,866,587
CALIFORNIA	FT. IRWIN NAT'L TRAINING		$38,171		$1,908,546
CALIFORNIA	Mendocino Western Part		$48,501		$3,127,200
IDAHO	ST. JOE AREA		$26,987		$1,804,500
IDAHO	JEROME/TWIN FALLS AREA		$46,467		$3,872,250
ILLINOIS	CUMBERLAND		$22,162		$664,860
ILLINOIS	MARSHALL		$25,488		$764,640
ILLINOIS	CLINTON		$35,165		$966,330
ILLINOIS	MCHENRY		$39,122		$821,562
ILLINOIS	EDGAR		$51,752		$1,196,730
INDIANA	ELKHART		$29,963		$629,233
KENTUCKY	MAGOFFIN/MORGAN		$29,800		$1,330,905
LOUISIANA	BIENVILLE		$31,584		$1,579,200
LOUISIANA	BEAUREGARD		$35,960		$2,238,000
MARYLAND	FREDERICK		$34,431		$1,195,880
MICHIGAN	IOSCO		$28,947		$1,085,511
MISSOURI	DADE		$16,197		$971,826
MISSOURI	OSAGE		$19,550		$1,173,006
MONTANA	TOOLE		$41,523		$3,736,200
MONTANA	GALLATIN CO AREA		$52,566		$2,637,300
NEVADA	HUMBOLDT-WEST PART		$29,875		$3,871,160
NEVADA	NYE - NW PART		$30,616		$3,061,532
NEVADA	NYE-NE PART		$70,157		$7,015,652
NEVADA	HUMBOLDT-EAST PART		$82,565		$7,799,720
NEW JERSEY	UNION		$9,450		$405,000
NEW YORK	DUTCHESS		$31,662		$1,477,560
NORTH CAROLINA	PITT		$21,009		$1,260,519
NORTH DAKOTA	RANSOM		$23,192		$1,658,400
NORTH DAKOTA	WILLIAMS		$30,342		$4,123,500
NORTH DAKOTA	GRIGGS		$31,185		$1,375,200
NORTH DAKOTA	MCINTOSH		$31,685		$1,899,900
OHIO	COSHOCTON		$36,267		$1,088,025
PENNSYLVANIA	YORK		$58,305		$1,632,548
TENNESSEE	GRAINGER		$19,370		$528,801
TENNESSEE	CHEATHAM		$19,640		$765,960

States	Area_Name	FY 2001 Actual Publication	FY 2002 Estimated Publication	FY 2003 Estimated Publication	Total Survey Cost Estimate
TENNESSEE	JEFFERSON		$21,580		$602,700
TENNESSEE	POLK		$28,290		$848,700
TENNESSEE	DICKSON		$29,213		$943,500
TENNESSEE	CAMBELL		$31,750		$952,500
TEXAS	LOVING/WINKLER		$18,554		$2,912,718
TEXAS	FANNIN		$28,796		$1,727,748
TEXAS	Freestone		$29,904		$1,714,311
TEXAS	HOUSTON		$39,582		$2,374,926
TEXAS	MATAGORDA		$44,409		$2,664,519
UTAH	Iron-Washington		$42,254		$4,929,138
VIRGINIA	Page		$46,897		$601,200
WEST VIRGINIA	BERKELEY		$23,250		$576,520
WISCONSIN	PEPIN		$9,535		$433,865
WISCONSIN	CLARK		$46,813		$2,340,672
ALABAMA	CHOCTAW			$23,579	$1,768,410
ALABAMA	PICKENS			$22,791	$1,709,340
ALABAMA	RUSSELL			$16,558	$1,241,820
ALASKA	KANTISHNA AREA			$19,403	$970,174
ARIZONA	NAVAJO-C.P.			$45,147	$3,009,800
ARIZONA	PIMA-EAST PART			$57,000	$3,800,000
CALIFORNIA	COLUSA			$50,219	$2,213,760
CALIFORNIA	INTERMOUNTAIN AREA			$61,420	$3,405,684
CALIFORNIA	TULARE			$46,624	$2,331,180
CALIFORNIA	BENTON/OWENS VALLEY			$43,132	$3,176,670
COLORADO	KIT CARSON			$41,478	$4,147,800
COLORADO	CORTEZ AREA			$23,382	$2,338,200
COLORADO	SAN MIGUEL AREA			$38,718	$3,871,800
COLORADO	DOUGLAS PLATEAU AREA			$30,657	$3,065,700
FLORIDA	CALHOUN			$36,740	$1,102,200
FLORIDA	HAMILTON			$33,240	$997,200
FLORIDA	OKEECHOBEE			$57,040	$1,197,840
GEORGIA	BLECKLEY,DODGE,&TELFAIR			$37,395	$2,243,700
IDAHO	NEZ PERCE N.F.			$40,080	$3,340,000
IDAHO	LEWIS & NEZ PERCE			$25,644	$2,137,000
IDAHO	OWYHEE			$58,936	$9,275,665
IDAHO	WOOD RIVER AREA			$53,521	$4,460,050
ILLINOIS	CHAMPAIGN			$63,886	$1,341,606
ILLINOIS	DUPAGE			$21,545	$452,455
ILLINOIS	FULTON			$51,752	$1,695,000
ILLINOIS	SCHUYLER			$28,192	$845,760
INDIANA	FOUNTAIN			$25,478	$535,032
KANSAS	RENO			$40,709	$2,442,528
KENTUCKY	CLAY			$18,082	$904,110
LOUISIANA	JEFFERSON DAVIS			$34,595	$1,264,800
LOUISIANA	VERNON			$51,498	$2,574,900
MARYLAND	QUEEN ANNES			$20,536	$718,760
MARYLAND	WASHINGTON			$23,912	$836,920
MINNESOTA	POLK			$63,900	$3,195,000
MINNESOTA	RICE			$16,505	$693,210
MINNESOTA	SHERBURNE			$14,425	$605,850
MISSISSIPPI	HOLMES			$24,460	$1,467,600
MISSOURI	BOONE			$22,113	$1,326,777
MISSOURI	MORGAN			$19,648	$1,178,901
MONTANA	CARTER			$85,572	$6,417,900
MONTANA	CUSTER CO AREA			$97,140	$7,285,500
MONTANA	FALLON			$41,564	$3,117,300
MONTANA	HILL			$74,664	$5,599,800
MONTANA	LIBERTY			$37,040	$2,778,000
MONTANA	CHOUTEAU CO AREA			$100,984	$7,573,800
MONTANA	GRANITE			$16,576	$1,243,200
MONTANA	JEFFERSON			$24,140	$1,810,500
MONTANA	LEWIS AND CLARK			$48,956	$3,671,700
MONTANA	POWELL AREA			$34,100	$2,557,500

States	Area_Name	FY 2001 Actual Publication	FY 2002 Estimated Publication	FY 2003 Estimated Publication	Total Survey Cost Estimate
MONTANA	SANDERS			$37,820	$2,836,500
MONTANA	CHOTEAU-CONRAD			$80,648	$6,048,600
NEBRASKA	DEUEL			$14,105	$592,395
NEW JERSEY	CAPE MAY			$25,620	$666,120
NEW MEXICO	SHIPROCK			$43,645	$2,182,226
NORTH DAKOTA	BURKE			$36,135	$2,168,100
NORTH DAKOTA	DIVIDE			$41,460	$2,487,600
NORTH DAKOTA	LOGAN			$32,485	$1,947,900
NORTH DAKOTA	MORTON			$62,225	$3,733,500
OKLAHOMA	WOODS			$41,316	$1,735,266
OREGON	CURRY			$42,181	$3,163,584
PUERTO RICO	VIRGIN ISLANDS			$11,827	$266,112
SOUTH DAKOTA	CLAY			$16,059	$562,073
SOUTH DAKOTA	HAMLIN			$20,667	$1,033,344
TENNESSEE	BEDFORD			$30,420	$912,600
TENNESSEE	SEQUATCHIE			$17,010	$663,390
TENNESSEE	SMITH			$20,840	$625,200
TEXAS	FAYETTE			$30,705	$1,842,300
TEXAS	JACK			$29,457	$1,767,396
TEXAS	MILAM			$32,664	$1,959,858
TEXAS	REAGAN & UPTON			$77,410	$4,644,594
UTAH	MILLARD-EAST PART			$22,560	$1,223,125
WASHINGTON	COLVILLE IND.RES.			$40,837	$4,083,696
WEST VIRGINIA	GILMER			$17,392	$869,600
WEST VIRGINIA	MCDOWELL			$27,392	$1,369,600
WEST VIRGINIA	CALHOUN/ROANE			$19,602	$1,956,800
WISCONSIN	FOREST			$40,192	$2,009,589
WISCONSIN	MARATHON			$60,526	$1,765,344
WYOMING	NIOBRARA			$51,541	$3,436,096
WYOMING	PLATTE			$39,518	$2,634,546
WYOMING	HENRY'S FORK			$2,642	$264,198

CONSERVATION RESERVE PROGRAM FUNDING

Mr. Bonilla: Does the budget propose as it did last year to fund technical assistance for the Conservation Reserve Program out of the Conservation Operations account? If so, how much of the conservation operations budget is for CRP technical assistance?

Response: The budget does not propose to use the Conservation Operations account for CRP technical assistance

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM FARM BILL FUNDING

Mr. Bonilla: Secretary Veneman's statement last week indicated that animal feeding operations will get their financial assistance from EQIP funds in the new farm bill. Will all technical and educational assistance for animal feeding operations also come from EQIP?

Response: NRCS will provide technical and educational assistance to owners and operators of animal feeding operations (AFOs) through the Environmental Quality Incentives Program (EQIP) and through the Conservation Technical Assistance (CTA) Program. In fiscal year 2002, NRCS estimates that it will expend $57.9 million in technical assistance to AFOs through CTA, which is over four times the estimated technical assistance expenditure of $13.5 million under EQIP.

RESOURCE CONSERVATION AND DEVELOPMENT AREAS

Mr. Bonilla: I also noted that the budget request maintains funds for the 348 areas now authorized, and will also be sufficient to support any new areas authorized in 2002. Can you tell the Committee how many applications for new areas are authorized but not funded, how many authorizations are pending approval, and how many new areas will be funded with your budget request in fiscal year 2003?

Response: Presently, there are 368 designated RC&D areas nationwide. This is an increase of 20 areas from FY 2001. There are no areas " authorized but not funded."

Presently, there are 20 RC&D applications pending approval at USDA. The fiscal year 2003 budget proposal will only provide basic funding to the existing 368 RC&D Council areas. It does not provide for designation of any new RC&D Council areas.

FORESTRY INCENTIVES PROGRAM

Mr. Bonilla: The House has supported the Administration's request to discontinue funding for the Forestry Incentives Program because we too believe this program can be better addressed through other programs. Unfortunately our counterparts have not agreed with us. What steps is the administration taking to educate all parties involved in getting this bill approved that this program can be better addressed through other programs?

Response: Both the House and Senate versions of the Farm Bill contain Forestry titles. The Administration is working through the Conference Committee process on future authorization issues associated with forestry.

GRANTS AND AGREEMENS

Mr. Bonilla: How has the NRCS improved its controls for grants and agreements as they relate to private nonprofit organizations established in law?

Response: NRCS has improved its controls for grants and agreements by issuing and adhering to its grants and agreements policy issued in FY 2001. NRCS also issued a Grant and Cooperative Agreements Handbook in FY 2001. Internal reviews of grants and agreements are accomplished across various organizational levels at the same time NRCS conducts periodic management reviews.

SMALL WATERSHEDS PROGRAM

Mr. Bonilla: Please explain in greater detail what the following excerpt from page 128 of the budget appendix means as it relates to the deletion of the small watershed program, " ...USDA programs provide loans and grants to rural communities to pursue economic development goals. Again, these funds are made preferentially available to communities in need. Less-well-off communities would qualify for the USDA Rural Development program's subsidized loans and grants and be in a position to pursue Watershed and flood prevention projects."

Response: The excerpt from page 128 of the budget appendix means that if federal funding for cost share is not available, then local communities can continue to seek loans or grants in order to pursue watershed and flood prevention projects.

WATERSHED REHABILITATION PROGRAM FUNDING

Mr. Bonilla: I noticed that nearly $5,000,000 of the $10,000,000 appropriated for the Watershed Rehabilitation Program has not been distributed. When and where will these funds be distributed?

Response: All of the $10,000,000 appropriated for the watershed rehabilitation was distributed by January 31, 2002. Within 30 days following the President's approval of the FY 2002 Appropriations Bill, $1,385,000 was distributed to 37 states for education/information activities for the watershed rehabilitation program and project sponsors were notified that applications were being accepted for the planning and implementation of specific watershed rehabilitation projects. By January 15, 2002, 79 applications from 16 states had been received and ranked by NRCS. On January 31, 2002, the remaining funds were distributed for the planning and implementation of 42 projects in 16 states. A summary of the FY 2002 allocation for watershed rehabilitation funds is provided for the record.

[The information follows:]

FY 2002 Watershed Rehabilitation Allocations (includes Ed / Info Funds)

STATE	TOTAL	STATE	TOTAL	STATE	TOTAL
Alabama	$40,000	Maine	$5,000	Oregon	$0
Alaska	0	Maryland	0	Pennsylvania	45,000
Arizona	151,000	Massachusetts	9,000	Rhode Island	0
Arkansas	138,000	Michigan	0	South Carolina	21,000
California	10,000	Minnesota	0	South Dakota	14,000
Colorado	4,000	Mississippi	272,000	Tennessee	292,000
Connecticut	0	Missouri	191,000	Texas	1,220,000
Delaware	0	Montana	12,000	Utah	18,000
Florida	0	Nebraska	317,000	Vermont	15,000
Georgia	1,680,000	Nevada	0	Virginia	350,000
Hawaii	0	New Hampshire	0	Washington	0
Idaho	4,000	New Jersey	4,000	West Virginia	240,000
Illinois	40,000	New Mexico	43,000	Wisconsin	10,000
Indiana	23,000	New York	58,000	Wyoming	11,000
Iowa	903,000	North Carolina	78,000	Pacific Basin	0
Kansas	109,000	North Dakota	205,000	Puerto Rico	0
Kentucky	55,000	Ohio	6,000	Nat. Headqtrs	700,000
Louisiana	7,000	Oklahoma	2,700,000	Total	10,000,000

ALLOCATION OF WATERSHED REHABILITATION FUNDS TO HEADQUARTERS

Mr. Bonilla: What is the justification for allocating $1,000,000 of the watershed rehabilitation programs funds to headquarters? Tell the committee, specifically, how Headquarters is using these funds for watershed rehabilitation.

Response: The funds held in national headquarters are for program and technical support and for exigency needs in the Watershed Rehabilitation program. This includes support for program staff in the Watersheds and Wetlands Division and support for financial management, personnel, and contracting in National Headquarters. It also includes funds to support a portion of the technical staffs in the National Water Management Center, located in Little Rock, AR, and the National Design, Construction, and Soil Mechanics Center, located in Ft Worth, TX. These technical support staffs provide direct assistance to NRCS state staffs for the planning and design of complex watershed rehabilitation projects.

RESOURCE CONSERVATION AND DEVELOPMENT ALLOCATION TO CENTERS AND INSTITUTES

Mr. Bonilla: Please explain why the allocation for Resource Conservation and Development to Centers/Institutes increased by $2,663,870 or 473 percent from $351,801 in fiscal year 2001 to $2,015,671 in fiscal year 2002.

Response: In fiscal year 200,1there was a Congressional limitation of $6,492,515. These funds were used to support National Headquarters Program staff and support, agency-wide initiatives, Regional offices, Centers and Institutes. This amount was not sufficient to cover the Resource Conservation and Development Account's share of these expenses creating a reduced allocation in this account to Centers and Institutes. In fiscal year 2002, there is no limitation. The Resource Conservation and Development account is providing its share to support these expenses. The fiscal year 2002 allocation to Centers and Institutes for Resource Conservation and Development is $1,946,200.

CONSERVATION RESERVE PROGRAM TECHNICAL ASSISTANCE FUNDING FROM THE ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

Mr. Bonilla: The fiscal year 2002 Agriculture Appropriations Act provided authority, up to $13,000,000, for the Secretary to use funds available from EQIP for CRP technical assistance. Was this authority used? What funding level is being provided for CRP technical assistance in fiscal year 2002? If the amount exceeds $13,000,000, please indicate the source of funds and the amount.

Response: Yes, $13 million is being made available from EQIP to fund CRP technical assistance. FSA is also working on a pilot program to provide technical assistance through CCC contracts with private entities.

REPORT ON ALLOCATIONS TO STATES

Mr. Bonilla: The House directed the Chief of NRCS to provide a report [H. Rept. 107-116, p. 86] to the Committee on Appropriations no later than 45 days after the enactment of the fiscal year 2002 Agriculture Appropriations Act regarding allocations to States. Please provide a copy of that report for the record.

[The information follows:]

REPORT TO CONGRESS
NATURAL RESOURCES CONSERVATION SERVICE
CONSERVATION OPERATIONS ALLOCATIONS

STATES	FY 2002 Technical Assistance Base Allocation	FY 2002 Soil Surveys	FY 2002 Snow Surveys	FY 2002 Plant Materials Centers	FY 2002 Pay Costs	FY 2002 Congressional Earmarks*/1	FY 2002 Non-recurring adjs (PM Earmarks)	FY 2002 Allocation	FY 2002 Carryover	FY 2002 TOTAL CONSERVATION OPERATIONS
Alabama	$ 9,044,900	$ 1,783,700	$ -	$ -	$ 447,400	$ 1,145,000	$ 1,008,200	$ 13,429,200	$ 54,500	$ 13,483,700
Alaska	1,316,100	1,122,700	417,600	0	142,600	3,779,000	15,500	6,793,500	341,200	7,134,700
Arizona	4,105,400	1,711,900	138,600	137,900	251,200	747,000	335,700	7,427,700	57,400	7,485,100
Arkansas	9,834,600	1,343,700	0	169,600	455,100	1,032,000	314,100	13,149,100	464,400	13,613,500
California	13,664,200	2,753,400	79,400	186,800	650,300	1,874,000	509,900	19,718,000	11,700	19,729,700
Colorado	13,333,400	1,669,600	893,300	126,800	630,000	449,000	948,500	18,050,600	1,700	18,052,300
Connecticut	2,486,500	246,400	0	0	117,300	65,000	159,000	3,074,200	56,800	3,131,000
Delaware	1,827,000	330,600	0	0	95,300	844,000	30,500	3,127,400	10,100	3,137,500
Florida	6,488,600	861,500	0	250,100	397,600	5,970,000	1,778,000	15,745,800	230,000	15,975,800
Georgia	11,116,500	1,270,200	0	218,300	522,700	1,819,000	312,300	15,259,000	19,100	15,278,100
Hawaii	3,446,400	448,300	0	20,000	143,100	655,000	113,300	4,826,100	188,100	5,014,200
Idaho	7,182,100	1,043,400	779,700	249,500	375,000	1,515,000	426,500	11,571,200	900	11,572,100
Illinois	12,093,700	1,305,900	0	0	572,100	754,000	2,142,900	16,868,600	18,000	16,886,600
Indiana	11,208,000	1,284,900	0	0	512,600	386,000	1,487,600	14,879,100	70,000	14,949,100
Iowa	18,380,400	1,194,800	0	0	927,200	1,672,000	2,029,300	24,203,700	290,000	24,493,700
Kansas	19,570,900	1,516,000	0	214,000	853,900	427,000	896,600	23,478,400	183,000	23,661,400
Kentucky	11,007,900	1,402,500	0	0	561,100	2,824,000	506,800	16,302,300	344,000	16,646,300
Louisiana	7,858,700	888,400	0	0	373,100	1,208,000	921,200	11,249,400	2,200	11,251,600
Maine	2,650,300	1,121,400	0	0	155,500	174,000	173,800	4,275,000	114,100	4,389,100
Maryland	3,226,100	1,086,400	0	394,200	238,800	1,877,000	326,600	7,149,100	270,700	7,419,800
Massachusetts	2,382,600	833,300	0	0	138,900	464,000	94,700	3,913,500	23,400	3,936,900
Michigan	9,145,600	1,447,700	0	201,400	412,500	291,000	407,000	11,905,200	11,200	11,916,400
Minnesota	10,865,900	2,541,500	0	0	532,600	501,000	614,400	15,055,400	453,900	15,509,300
Mississippi	12,736,900	1,208,400	0	273,200	692,300	6,694,000	412,200	22,017,000	198,700	22,215,700
Missouri	15,749,800	2,553,600	0	249,700	864,500	766,000	2,541,700	22,725,300	3,300	22,728,600
Montana	13,040,400	2,466,600	881,100	221,500	662,600	545,000	652,900	18,470,100	100	18,470,200
Nebraska	14,945,200	982,100	0	0	647,400	915,900	658,000	18,148,600	40,100	18,188,700
Nevada	2,315,000	1,410,300	197,000	0	151,000	156,000	94,400	4,323,700	251,400	4,575,100
New Hampshire	2,269,700	339,200	0	0	105,400	75,000	83,100	2,872,400	0	2,872,400
New Jersey	2,916,000	475,700	0	199,600	167,600	1,067,000	388,600	5,214,500	5,800	5,220,300
New Mexico	6,438,800	1,126,300	144,200	208,600	352,900	876,000	257,800	9,404,600	4,600	9,409,200
New York	6,582,900	916,200	0	247,900	399,300	3,655,000	1,341,900	13,143,200	2,200	13,145,400
North Carolina	7,908,800	1,508,400	0	0	416,500	315,000	2,059,100	12,207,800	100,400	12,308,200
North Dakota	10,844,400	1,320,900	0	264,400	532,500	1,105,000	1,220,600	15,287,800	100	15,287,900
Ohio	9,547,000	1,033,200	0	0	565,900	2,771,000	1,744,000	15,661,100	300	15,661,400
Oklahoma	12,637,300	1,285,500	0	0	563,300	883,000	2,009,900	17,379,000	185,900	17,564,900
Oregon	7,147,200	1,775,700	890,000	214,200	392,800	874,000	301,400	11,595,300	94,900	11,690,200
Pacific Basin	1,775,800	306,200	0	0	66,100	42,000	60,500	2,250,600	330,500	2,581,100
Pennsylvania	7,607,500	860,700	0	0	402,300	1,918,000	415,100	11,203,600	35,400	11,239,000

REPORT TO CONGRESS
NATURAL RESOURCES CONSERVATION SERVICE
CONSERVATION OPERATIONS ALLOCATIONS

STATES	FY 2002 Technical Assistance Base Allocation	FY 2002 Soil Surveys	FY 2002 Snow Surveys	FY 2002 Plant Materials Centers	FY 2002 Pay Costs	FY 2002 Congressional Earmarks*/1	FY 2002 Non-recurring adjs (PM Earmarks)	FY 2002 Allocation	FY 2002 Carryover	FY 2002 TOTAL CONSERVATION OPERATIONS
Puerto Rico	2,815,000	346,000	0	0	148,600	322,000	47,800	**3,679,400**	23,200	**3,702,600**
Rhode Island	600,600	78,300	0	0	30,000	320,000	36,500	**1,065,400**	0	**1,065,400**
South Carolina	6,263,100	541,500	0	0	292,800	1,413,000	464,800	**8,975,200**	0	**8,975,200**
South Dakota	10,287,200	969,600	0	0	451,600	668,000	381,000	**12,757,400**	83,200	**12,840,600**
Tennessee	9,472,700	1,358,700	0	0	507,000	517,000	1,901,700	**13,757,100**	100	**13,757,200**
Texas	32,802,700	3,331,700	0	0	1,510,600	6,529,000	1,525,800	**45,699,800**	37,700	**45,737,500**
Utah	4,659,200	920,200	921,700	0	249,200	518,000	128,300	**7,396,600**	174,000	**7,570,600**
Vermont	2,349,900	384,200	0	0	123,600	588,000	522,100	**3,967,800**	12,300	**3,980,100**
Virginia	6,870,600	1,376,500	0	0	397,000	1,912,000	443,400	**10,999,500**	7,000	**11,006,500**
Washington	9,097,500	1,017,800	195,300	210,800	448,800	313,000	1,020,000	**12,303,200**	14,700	**12,317,900**
West Virginia	5,141,700	1,566,100	0	148,900	349,100	2,939,000	401,900	**10,546,700**	138,500	**10,685,200**
Wisconsin	12,392,800	1,527,300	0	0	572,200	4,014,000	749,700	**19,256,000**	52,400	**19,308,400**
Wyoming	2,339,300	1,290,400	193,500	0	256,200	434,000	576,400	**5,089,800**	175,500	**5,265,300**
Regional Offices	9,899,000	1,525,600	119,200	141,400	295,800	0	0	**11,981,000**	0	**11,981,000**
Centers, Institutes & Coop Scientists	33,869,800	3,159,400	426,700	689,700	1,190,400	5,609,000	1,500,000	**46,445,000**	0	**46,445,000**
National Headquarters (including Working Capital Fund, etc.)	56,042,700	8,052,800	592,700	920,800	1,105,800	0	0	**66,714,800**	6,269,100	**72,983,900**
Unallocated	13,718,400	907,700	38,600	44,500	0	300,000	0	**15,009,200**	2,777,600	**17,786,800**
TOTAL	**$545,320,700**	**$77,131,000**	**$6,908,600**	**$6,203,800**	**$24,417,000**	**$79,525,900**	**$39,493,000**	**$779,000,000**	**$14,235,400**	**$793,235,400**

***FOOTNOTE:**
/1-Congressional Earmarks included Conservation Technical Assistance, Soil Surveys, Snow Surveys, & Plant Material Centers.

HEADQUARTERS CARRY OVER FUNDS

Mr. Bonilla: Does that report show that National Headquarters carried over $6,269,110 from fiscal year 2001 into fiscal year 2002? What is the reason(s) for this carryover? Wouldn't these funds be better used in the field to deliver programs to farmers and ranchers who need assistance?

Response: The report shows $6,269,100 of the agency's carryover funds is being used to support National Headquarters, including Working Capital Fund, etc. National Headquarters official carryover balance at the end of fiscal year 2001 was $64,792.56. The agency's carryover balance comprises unobligated balances of the agency for pending initiatives, projects, and contingencies. These projects and initiatives will be used to improve the delivery of programs to farmers and ranchers who need assistance.

CONSERVATION OPERATIONS FUNDING FOR NATIONAL HEADQUATERS

Mr. Bonilla: How much of the fiscal year 2002 appropriation for Conservation Operations is for National Headquarters? How much of the fiscal year 2001 appropriation was for National Headquarters?

Response: The National Headquarters, including Working Capital Fund, etc., fiscal year 2002 appropriation for Conservation Operations is $66,714,800. The National Headquarters, including Working Capital Fund, etc., fiscal year 2001 appropriation for Conservation Operations for National Headquarters is $48,705,000.

CONSERVATION OPERATIONS FUNDING FOR PAY COST INCREASES

Mr. Bonilla: How much of the fiscal year 2002 appropriation for Conservation Operations went to pay cost increases? Did NRCS employees who are paid out of the Conservation Operations account receive a 4.6 percent pay raise in fiscal year 2002?

Response: The amount of the fiscal year 2002 appropriation for Conservation Operations that went to pay cost increases is $24,417,000. NRCS employees paid out of the Conservation Operations account received a 4.6 percent pay raise in fiscal year 2002.

STATUS OF TEXAS FIELD OFFICE TELECOMMUNICATIONS PILOT PROGRAM

Mr. Bonilla: Provide the Committee with a complete status on the field office telecommunications pilot program implementation in Texas.

Response: The project is proceeding rapidly. A detailed plan for implementation has been drafted. We've begun purchasing telecommunication equipment and installing T-1 lines or upgrading frame relay. A telecommunications contractor will be selected soon and additional telecommunications equipment will be purchased based on the contractor's assessment and recommendations. Planning is also underway to provide interagency computer software training.

FUNDING OF ADVISORY AND ASSISTANCE OBJECT CLASS

Mr. Bonilla: From the object class table on page 17-14 of the Explanatory Notes, for what specific purposes is NRCS using $385,000 in fiscal year 2002 for advisory and assistance services when no funds were used for this purpose in fiscal year 2001? Why does this number decrease to $75,000 in fiscal year 2003?

Response: The $385,000 shown for FY 2002 is the total amount shown in appropriation language as the limitation available in all discretionary programs for employment under 5 U.S.C. 3109. NRCS has not used this authority for several years, however, traditionally the limitation has been shown as an anticipated obligation in the current and budget years. The amount decreases to $75,000 in FY 2003 since $310,000 of the limitation is available under the Watershed Surveys and Planning and Watershed and Flood Prevention Operations programs and these programs are proposed to be terminated in FY 2003.

FUNDING FOR LAND AND STRUCTURES DECREASE

Mr. Bonilla: Why does the amount for land and structure decrease from $32,622,000 in fiscal year 2001 to $4,642,000 in fiscal year 2002, and decrease further to $16,000 in fiscal year 2003? Please provide for the record all supporting documentation that NRCS obligated $32,622,000 for land and structures in fiscal year 2001.

Response: The amount for land and structure is the sum of subobject classes 3211 Easements for $32,619,670 and 3200 Land and Structures for $2,998. The easement subobject class is comprised of Emergency Watershed Program, Wetlands Reserve Program, and Trust Fund dollars. The largest decrease is in the Emergency Watershed Program. This program obligated $32,108,000 in fiscal year 2001 and is only estimated to obligate $4,264,000 in fiscal year 2002. The Emergency Watershed Program was not funded in 2002 so the estimate is based on carryover from 2001. The Wetlands Reserve Program obligated $365 in 2001. There is no funding in this program for 2002 and 2003. However, there is carryover in 2002 comparable to the 2001 amount. Trust Fund dollars obligated $146 in 2001 and decreased some in 2002 and 2003. A copy of supporting documentation is provided for the record.

Report Name: SCF011
Run Date: 03/05/02
Fiscal Month: 13
Portion of Year Expired: 108.33%

Budget Fiscal Year: 2001

United States Department of Agriculture
Natural Resources Conservation Services
Status of Funds - All Funds Summary by Division
As of: 09/30/01

TECHNICAL ASSISTANCE

BOC	TA Allocations	FA Allocations	Sub Allocations	YTD Obligations	Available Suballocations	% Used	YTD Commitments
3200 Land and Structures	0	5,523	5,523	2,998	2,525	54.28%	0
TOTAL	$0	$5,523	$5,523	$2,998	$2,525	54.28%	$0
Deficit/(Surplus)	$0	$0					
Staff Years			0.00	0.00	0.00		

Report Name: SCF011
Run Date: 03/05/02
Fiscal Month: 13
Portion of Year Expired: 108.33%

Budget Fiscal Year: 2001

United States Department of Agriculture
Natural Resources Conservation Services
Status of Funds - All Funds Summary by Division
As of: 09/30/01

FINANCIAL ASSISTANCE

BOC	TA Allocations	FA Allocations	Sub Allocations	YTD Obligations	Available Suballocations	% Used	YTD Commitments
3211 Easements	0	35,010,206	35,010,206	32,619,670	2,390,536	93.17%	792,355
TOTAL	$0	$35,010,206	$35,010,206	$32,619,670	$2,390,536	93.17%	$792,355
Deficit/(Surplus)	$0	$0					
Staff Years			0.00	0.00	0.00		

DECREASE IN FUNDING FOR GRANTS

Mr. Bonilla: Why does the amount for grants decrease from $97,036,000 in fiscal year 2001 to $76,567,000 in fiscal year 2002, and $40,659,000 in fiscal year 2003? Please provide for the record all supporting documentation that NRCS obligated $97,036,000 for grants in fiscal year 2001.

Response: The amount for grants is comprised of Watershed and Flood Prevention, Watershed Rehabilitation Program, Forestry Incentives Program, Wildlife Habitat Incentive Program, Resource Conservation and Development, and Trust Fund dollars. The largest decreases occur in the first four programs. The Watershed and Flood Prevention program obligated $74 million in 2001 and is estimated to obligate $66 million in 2002 and $40 million in 2003. This is due to the Emergency Watershed Program within this appropriation being funded in 2001 and 2003 only and the PL-534 and PL-566 programs funded in 2001 and 2002 only. The Watershed Rehabilitation Program is only funded in 2002. The Forestry Incentives Program decreased $2.2 million in 2002 and is not funded in 2003. The Wildlife Habitat Incentive Program obligated $13 million in 2001 and is estimated at $1 million in 2002 with carryover funds. This program is not yet funded in 2002 or 2003. A copy of supporting documentation is provided for the record. The supporting documentation shows obligations of $96,956,018. The difference is $74,000 Resource Conservation and Development funds obligated by Forest Service that is not included in the NRCS report and minor adjustments made after year end closing in the accounting system.

Report Name: SCF011
Run Date: 03/05/02
Fiscal Month: 13
Portion of Year Expired: 108.33%

Budget Fiscal Year: 2001

United States Department of Agriculture
Natural Resources Conservation Services
Status of Funds - All Funds Summary by Division
As of: 09/30/01

FINANCIAL ASSISTANCE

BOC	TA Allocations	FA Allocations	Sub Allocations	YTD Obligations	Available Suballocations	% Used	YTD Commitments
4100 Grants, Subsidies, & Contributions	0	85,728,211	85,728,211	96,956,018	-11,227,807	113.10%	0
TOTAL	$0	$85,728,211	$85,728,211	$96,956,018	($11,227,807)	113.10%	$0
Deficit/(Surplus)	$0	$0					
Staff Years			0.00	0.00	0.00		

WATERSHED REHABILITATION FUNDING REQUEST

Mr. Bonilla: Provide a copy of the Agency's request to the Department, the Department request to OMB, and the President's request to Congress for the Watershed Rehabilitation Program for fiscal year 2003.

Response: Agency and Department materials used in developing the FY 2003 President's budget are considered " pre-decisional" materials and therefore remain a matter of internal record.

WATERSHED AND FLOOD PREVENTION OPERATIONS FUNDING REQUEST

Mr. Bonilla: Provide a copy of the Agency's request to the Department, the Department request to OMB, and the President's request to Congress for the Watershed and Flood Prevention Operations Program for fiscal year 2003.

Response: Agency and Department materials used in developing the FY 2003 President's budget are considered " pre-decisional" materials and therefore remain a matter of internal record.

RESOURCE CONSERVATION AND DEVELOPMENT FUNDING REQUEST

Mr. Bonilla: Provide a copy of the Agency's request to the Department, the Department request to OMB, and the President's request to Congress for the Resource Conservation and Development Program for fiscal year 2003.

Response: Agency and Department materials used in developing the FY 2003 President's budget are considered " pre-decisional" materials and therefore remain a matter of internal record.

CONSERVATION OPERATIONS FUNDING REQUEST

Mr. Bonilla: Provide a copy of the Agency's request to the Department, the Department request to OMB, and the President's request to Congress for the Conservation Operations Program for fiscal year 2003.

Response: Agency and Department materials used in developing the FY 2003 President's budget are considered " pre-decisional" materials and therefore remain a matter of internal record.

TRANSFER OF GSA RENT COSTS

Mr. Bonilla: The Department is proposing to transfer the cost of GSA rent from the central account to individual agency accounts. What are the fiscal year 2002 GSA rent costs for NRCS? 2003? How much will be transferred from the central account to NRCS in fiscal year 2003 if this proposal is approved? Will this appropriations transfer be sufficient to fund all agency rent costs?

Response: The FY 2002 GSA rent estimate for NRCS is $17,789,141. FY 2003 estimate is $18,487,021. NRCS is supposed to receive $18,289,000 from the central account to cover FY 2003 GSA rent; an estimated shortfall of $198,021. This transfer will not fund all the agency's rent costs in 2003

because NRCS has rent costs for offices that are not in GSA space. It will, however, cover most of the GSA rent costs.

OUTSOURCING PLAN

Mr. Bonilla: Is there a plan to outsource functions of the NRCS? If so, provide a copy of that plan for the record. If not, is a plan to outsource certain functions of the NRCS being developed? Has an A-76 been completed? Please provide a copy of the A-76 for the record. What are the costs related to completing the A-76? Where did the funds come from to pay for the A-76? What functions are being proposed for outsourcing? How many positions are being proposed for outsourcing? Where are the geographic locations of the positions proposed for outsourcing? Provide the timeline of when this outsourcing is to be completed.

Response: Yes, there is a plan to outsource functions of the NRCS. A copy of the plan is attached. This plan was prepared to meet the Office of Management and Budget's goal of taking competitive bids on 15 percent of the full time equivalents listed on the Federal Activities Inventory Reform Act inventory. An A-76 has not yet been completed. The following table summarizes the functions, numbers, and locations on the plan. See the attached plan for additional information. Determinations of exact locations within a State have not yet been completed.

NRCS Fiscal Year 2002 Outsourcing Plan

Function	Number of Positions	Geographic Location
Supply, Warehousing & Distribution Services Management	11	Various NRCS State Offices
Mapping and Charting	55	Fort Worth, Texas
Administrative Support	17	Various NRCS State Offices
Geographical Analysis	33	Various NRCS State Offices
Information Technology	394	Washington, DC, Ft. Collins, CO, Ft. Worth, TX, Various NRCS State, Area, and Field Offices
Engineering Functions	96	Various NRCS State, Area, and Field Offices
Soil Conservation Functions	461	Various NRCS State, Area, and Field Offices
General Administrative Support	59	Various NRCS National, Regional, Center, and State Offices
Total	1,126	

NRCS has already begun planning for activities for outsourcing. Some actual outsourcing will take place in fiscal year 2002 and some in fiscal year 2003. Activities related to the above plan are scheduled for completion July 1, 2003

[The plan follows:]

Natural Resources Conservation Service
A-76 Plan, Revised February, 2002

Number of FTE	Activity/ Function Code	St	City	Direct Conv. or Cost Compar.
TBD - Depends on Outcome of Farm Bill	Third Party Vendors	Var	Various	DC
1	S741 Supply, Warehousing & Distribution Svcs Mgmt.	AL	Auburn	DC
1	Supply, Ware. & Dist. Svcs. Mgt	AR	Little Rock	DC
1	Supply, Ware. & Dist. Svcs. Mgt	MI	East Lansing	DC
1	Supply, Ware. & Dist. Svcs. Mgt	NE	Lincoln	DC
1	Supply, Ware. & Dist. Svcs. Mgt	NV	Reno	DC
1	Supply, Ware. & Dist. Svcs. Mgt	OH	Columbus	DC
1	Supply, Ware. & Dist. Svcs. Mgt	PA	Harrisbury	DC
2	Supply, Ware. & Dist. Svcs. Mgt	TX	Fort Worth	DC
1	Supply, Ware. & Dist. Svcs. Mgt	TX	Temple	DC
1	Supply, Ware. & Dist. Svcs. Mgt	VA	Richmond	DC
11	Total			
55	T808 Mapping and Charting	TX	Fort Worth	CC
1	T820 Administrative Support Services	CO	Lakewood	DC
2	Admin. Support Services	DC	Washington	DC
1	Admin. Support Services	GA	Athens	DC
1	Admin. Support Services	HI	Honolulu	DC
1	Admin. Support Services	KS	Salina	DC
1	Admin. Support Services	MD	Annapolis	DC
1	Admin. Support Services	MN	St. Paul	DC
1	Admin. Support Services	ND	Bismark	DC
1	Admin. Support Services	NE	Lincoln	DC
2	Admin. Support Services	NM	Albuquerque	DC
1	Admin. Support Services	NY	Syracuse	DC
1	Admin. Support Services	TN	Nashville	DC
2	Admin. Support Services	TX	Fort Worth	DC
1	Admin. Support Services	TX	Temple	DC
17	Total			
1	T841 Geological Analysis	AR	Little Rock	CC
2	T841 Geological Analysis	CA	Davis	CC
1	T841 Geological Analysis	CO	Lakewood	CC
1	T841 Geological Analysis	DC	Washington	CC
1	T841 Geological Analysis	ID	Boise	CC
1	T841 Geological Analysis	KS	Salina	CC
1	T841 Geological Analysis	KY	Lexington	CC
1	T841 Geological Analysis	MA	Amherst	CC
1	T841 Geological Analysis	MI	East Lansing	CC
2	T841 Geological Analysis	MO	Columbus	CC
1	T841 Geological Analysis	MS	Jackson	CC
1	T841 Geological Analysis	NC	Raleigh	CC

Natural Resources Conservation Service
A-76 Plan, Revised February, 2002

Number of FTE	Activity/ Function Code	St	City	Direct Conv. or Cost Compar.
2	T841 Geological Analysis	NE	Lincoln	CC
1	T841 Geological Analysis	NJ	Somerset	CC
2	T841 Geological Analysis	NM	Albuquerque	CC
1	T841 Geological Analysis	NY	Syracuse	CC
2	T841 Geological Analysis	OH	Columbus	CC
2	T841 Geological Analysis	OK	Stillwater	CC
1	T841 Geological Analysis	OR	Portland	CC
2	T841 Geological Analysis	TN	Nashville	CC
1	T841 Geological Analysis	TX	Temple	CC
1	T841 Geological Analysis	UT	Salt Lake City	CC
1	T841 Geological Analysis	VA	Richmond	CC
1	T841 Geological Analysis	WA	Spokane	CC
1	T841 Geological Analysis	WV	Morgantown	CC
1	T841 Geological Analysis	WY	Casper	CC
33	Total			
	W601, W824, W825, W826, W999, W000, Y550 Information Technology			
2	Functions	AL	Auburn	CC
6	Information Tech. Functions	AR	Little Rock	CC
5	Information Tech. Functions	AZ	Phoenix	CC
9	Information Tech. Functions	CA	Davis	CC
9	Information Tech. Functions	CO	Lakewood	CC
1	Information Tech. Functions	CT	Storrs	CC
29	Information Tech. Functions	DC	Washington	CC
5	Information Tech. Functions	FL	Gainsville	CC
10	Information Tech. Functions	GA	Athens	CC
4	Information Tech. Functions	HI	Honoluly	CC
5	Information Tech. Functions	IA	Des Moines	CC
10	Information Tech. Functions	ID	Boise	CC
14	Information Tech. Functions	IL	Champaign	CC
10	Information Tech. Functions	IN	Indianapolis	CC
13	Information Tech. Functions	KS	Salina	CC
7	Information Tech. Functions	KY	Lexington	CC
7	Information Tech. Functions	LA	Alexandria	CC
1	Information Tech. Functions	MA	Amherst	CC
2	Information Tech. Functions	MD	Annapolis	CC
3	Information Tech. Functions	MD	Beltsville	CC
1	Information Tech. Functions	ME	Bangor	CC
10	Information Tech. Functions	MI	East Lansing	CC
7	Information Tech. Functions	MN	St. Paul	CC
17	Information Tech. Functions	MO	Columbia	CC
7	Information Tech. Functions	MS	Jackson	CC
7	Information Tech. Functions	MT	BOZEMAN	CC
5	Information Tech. Functions	NC	RALEIGH	CC

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Number of FTE	Activity/ Function Code	St	City	Direct Conv. or Cost Compar.
7	Information Tech. Functions	ND	BISMARCK	CC
8	Information Tech. Functions	NE	LINCOLN	CC
1	Information Tech. Functions	NH	DURHAM	CC
1	Information Tech. Functions	NJ	SOMERSET	CC
3	Information Tech. Functions	NM	Albuquerque	CC
1	Information Tech. Functions	NV	RENO	CC
6	Information Tech. Functions	NY	SYRACUSE	CC
5	Information Tech. Functions	OH	COLUMBUS	CC
9	Information Tech. Functions	OK	Stillwater	CC
5	Information Tech. Functions	OR	PORTLAND	CC
6	Information Tech. Functions	PA	Harrisburg	CC
1	Information Tech. Functions	PR	SAN JUAN	CC
4	Information Tech. Functions	SC	COLUMBIA	CC
12	Information Tech. Functions	SD	HURON	CC
5	Information Tech. Functions	TN	NASHVILLE	CC
33	Information Tech. Functions	CO	FT. COLLINS	CC
20	Information Tech. Functions	TX	Ft. Worth	CC
15	Information Tech. Functions	TX	TEMPLE	CC
4	Information Tech. Functions	UT	S. LAKE CITY	CC
8	Information Tech. Functions	VA	RICHMOND	CC
2	Information Tech. Functions	VT	WINOOSKI	CC
9	Information Tech. Functions	WA	SPOKANE	CC
16	Information Tech. Functions	WI	MADISON	CC
3	Information Tech. Functions	WV	Morgantown	CC
4	Information Tech. Functions	WY	CASPER	CC
394	Total			
	T804, T813, T831, T833			
1	Engineering Functions	AL	AUBURN	CC
2	Engineering Functions	AR	LITTLE ROCK	CC
1	Engineering Functions	AZ	PHOENIX	CC
4	Engineering Functions	CA	DAVIS	CC
2	Engineering Functions	CO	LAKEWOOD	CC
1	Engineering Functions	CT	STOORS	CC
0	Engineering Functions	DC	WASHINGTON	CC
1	Engineering Functions	DE	DOVER	CC
2	Engineering Functions	FL	GAINESVILLE	CC
1	Engineering Functions	GA	ATHENS	CC
0	Engineering Functions	GA	ATHENS	CC
1	Engineering Functions	HI	HONOLULU	CC
4	Engineering Functions	IA	DES MOINES	CC
2	Engineering Functions	ID	BOISE	CC
2	Engineering Functions	IL	CHAMPAIGN	CC
2	Engineering Functions	IN	INDIANAPOLIS	CC
2	Engineering Functions	KS	SALINA	CC
1	Engineering Functions	KY	LEXINGTON	CC

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Number of FTE	Activity/ Function Code	St	City	Direct Conv. or Cost Compar.
3	Engineering Functions	LA	ALEXANDRIA	CC
0	Engineering Functions	MA	AMHERST	CC
1	Engineering Functions	MD	ANNAPOLIS	CC
1	Engineering Functions	ME	BANGOR	CC
2	Engineering Functions	MI	EAST LANSING	CC
2	Engineering Functions	MN	ST PAUL	CC
3	Engineering Functions	MO	COLUMBIA	CC
3	Engineering Functions	MS	JACKSON	CC
3	Engineering Functions	MT	BOZEMAN	CC
1	Engineering Functions	NC	RALEIGH	CC
1	Engineering Functions	ND	BISMARCK	CC
4	Engineering Functions	NE	LINCOLN	CC
0	Engineering Functions	NH	DURHAM	CC
1	Engineering Functions	NJ	SOMERSET	CC
1	Engineering Functions	NM	Albuquerque	CC
1	Engineering Functions	NV	RENO	CC
2	Engineering Functions	NY	SYRACUSE	CC
4	Engineering Functions	OH	COLUMBUS	CC
3	Engineering Functions	OK	STILLWATER	CC
1	Engineering Functions	OR	PORTLAND	CC
3	Engineering Functions	PA	HARRISBURG	CC
1	Engineering Functions	PR	SAN JUAN	CC
1	Engineering Functions	SC	COLUMBIA	CC
1	Engineering Functions	SD	HURON	CC
2	Engineering Functions	TN	NASHVILLE	CC
4	Engineering Functions	TX	FORT WORTH	CC
0	Engineering Functions	TX	FORT WORTH	CC
8	Engineering Functions	TX	TEMPLE	CC
1	Engineering Functions	UT	S. Lake City	CC
1	Engineering Functions	VA	RICHMOND	CC
1	Engineering Functions	VT	WINOOSKI	CC
3	Engineering Functions	WA	SPOKANE	CC
2	Engineering Functions	WI	MADISON	CC
3	Engineering Functions	WV	MORGANTOWN	CC
1	Engineering Functions	WY	CASPER	CC
96	Total			
	T852, T853			
8	Soil Conservation Functions	AL	AUBURN	DC
9	Soil Conservation Functions	AR	LITTLE ROCK	DC
6	Soil Conservation Functions	AZ	PHOENIX	DC
12	Soil Conservation Functions	CA	DAVIS	CC
14	Soil Conservation Functions	CO	LAKEWOOD	CC
3	Soil Conservation Functions	CT	STORRS	DC
4	Soil Conservation Functions	DC	WASHINGTON	DC
1	Soil Conservation Functions	DE	DOVER	DC

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Number of FTE	Activity/ Function Code	St	City	Direct Conv. or Cost Compar.
8	Soil Conservation Functions	FL	GAINSVILLE	DC
10	Soil Conservation Functions	GA	ATHENS	DC
4	Soil Conservation Functions	HI	HONOLULU	DC
19	Soil Conservation Functions	IA	DES MOINES	CC
7	Soil Conservation Functions	ID	BOISE	DC
17	Soil Conservation Functions	IL	CHAMPAIGN	CC
11	Soil Conservation Functions	IN	INDIANAPOLIS	CC
15	Soil Conservation Functions	KS	SALINA	CC
8	Soil Conservation Functions	KY	LEXINGTON	DC
9	Soil Conservation Functions	LA	ALEXANDRIA	DC
2	Soil Conservation Functions	MA	AMHERST	DC
5	Soil Conservation Functions	MD	ANNAPOLIS	DC
3	Soil Conservation Functions	ME	BANGOR	DC
7	Soil Conservation Functions	MI	EAST LANSING	DC
9	Soil Conservation Functions	MN	ST PAUL	DC
23	Soil Conservation Functions	MO	COLUMBIA	CC
13	Soil Conservation Functions	MS	JACKSON	CC
14	Soil Conservation Functions	MT	BOZEMAN	CC
8	Soil Conservation Functions	NC	RALEIGH	DC
12	Soil Conservation Functions	ND	BISMARCK	CC
19	Soil Conservation Functions	NE	LINCOLN	CC
1	Soil Conservation Functions	NH	DURHAM	DC
4	Soil Conservation Functions	NJ	SOMERSET	DC
7	Soil Conservation Functions	NM	Albuquerque	DC
3	Soil Conservation Functions	NV	RENO	DC
8	Soil Conservation Functions	NY	SYRACUSE	DC
10	Soil Conservation Functions	OH	COLUMBUS	DC
13	Soil Conservation Functions	OK	STILLWATER	CC
10	Soil Conservation Functions	OR	PORTLAND	CC
7	Soil Conservation Functions	PA	HARRISBURG	DC
3	Soil Conservation Functions	PR	SAN JUAN	DC
5	Soil Conservation Functions	SC	COLUMBIA	DC
8	Soil Conservation Functions	SD	HURON	DC
5	Soil Conservation Functions	TN	NASHVILLE	DC
4	Soil Conservation Functions	TX	FORT WORTH	DC
36	Soil Conservation Functions	TX	TEMPLE	CC
6	Soil Conservation Functions	UT	CITY	DC
9	Soil Conservation Functions	VA	RICHMOND	DC
3	Soil Conservation Functions	VT	WINOOSKI	DC
14	Soil Conservation Functions	WA	SPOKANE	CC
9	Soil Conservation Functions	WI	MADISON	DC
8	Soil Conservation Functions	WV	MORGANTOWN	DC
6	Soil Conservation Functions	WY	CASPER	DC
461	Total			

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Number of FTE	Activity/ Function Code	St	City	Direct Conv. or Cost Compar.
1	T000 Administrative Support	AL	AUBURN	DC
2	T000 Administrative Support	AR	LITTLE ROCK	DC
1	T000 Administrative Support	AZ	PHOENIX	DC
2	T000 Administrative Support	CA	DAVIS	DC
1	T000 Administrative Support	CO	LAKEWOOD	DC
0	T000 Administrative Support	CT	STORRS	DC
9	T000 Administrative Support	DC	WASHINGTON	DC
0	T000 Administrative Support	DE	DOVER	DC
1	T000 Administrative Support	FL	GAINSVILLE	DC
2	T000 Administrative Support	GA	ATHENS	DC
1	T000 Administrative Support	HI	HONOLULU	DC
3	T000 Administrative Support	IA	DES MOINES	DC
1	T000 Administrative Support	IL	CHAMPAIGN	DC
1	T000 Administrative Support	KS	SALINA	DC
1	T000 Administrative Support	KY	LEXINGTON	DC
1	T000 Administrative Support	LA	ALEXANDRIA	DC
0	T000 Administrative Support	MA	AMHERST	DC
1	T000 Administrative Support	MD	ANNAPOLIS	DC
1	T000 Administrative Support	ME	BANGOR	DC
0	T000 Administrative Support	MI	EAST LANSING	DC
1	T000 Administrative Support	MN	ST PAUL	DC
2	T000 Administrative Support	MO	COLUMBIA	DC
2	T000 Administrative Support	MS	JACKSON	DC
1	T000 Administrative Support	NC	RALEIGH	DC
1	T000 Administrative Support	ND	BISMARCK	DC
0	T000 Administrative Support	NH	DURHAM	DC
0	T000 Administrative Support	NJ	SOMERSET	DC
1	T000 Administrative Support	NM	Albuquerque	DC
0	T000 Administrative Support	NV	RENO	DC
1	T000 Administrative Support	NY	SYRACUSE	DC
1	T000 Administrative Support	OH	COLUMBUS	DC
1	T000 Administrative Support	OK	STILLWATER	DC
0	T000 Administrative Support	PR	SAN JUAN	DC
1	T000 Administrative Support	SD	HURON	DC
1	T000 Administrative Support	TN	NASHVILLE	DC
3	T000 Administrative Support	TX	FORT WORTH	DC
2	T000 Administrative Support	TX	TEMPLE	DC
1	T000 Administrative Support	UT	CITY	DC
0	T000 Administrative Support	VT	WINOOSKI	DC
1	T000 Administrative Support	WA	SPOKANE	DC
1	T000 Administrative Support	WI	MADISON	DC
1	T000 Administrative Support	WV	MORGANTOWN	DC
59	Total			
1126	**Total NRCS Plan**			

FUNDING OF STAFF YEAR COSTS

Mr. Bonilla: How much of the fiscal year 2003 request for Conservation Operations is to cover the staff-year costs associated with the proposed deletion of the Watershed Surveys and Planning Program?

Response: The request includes $635,000, which covers the pension and annuitant health benefits, formerly funded through the Office of Personnel Management, associated with the staff who previously provided technical assistance under the Watershed Surveys and Planning program.

Mr. Bonilla: How much of the fiscal year 2003 request for Conservation Operations is to cover the staff-year costs associated with the proposed deletion of the Watershed and Flood Prevention Operations Program?

Response: The request includes $3,021,000, which covers the pension and annuitant health benefits, formerly funded through the Office of Personnel Management, associated with the staff who previously provided technical assistance under the Watershed and Flood Prevention Operations program.

Mr. Bonilla: Does the fiscal year 2003 request for Conservation Operations fully fund the same level of staff years that are funded in fiscal year 2002?

Response: The fiscal year 2003 request for Conservation Operations will fund 9,101 staff years. In FY 2002, the Conservation Operations appropriation is estimated to fund 8,594 staff years.

CONSERVATION SERCURITY PROGRAM

Mr. Bonilla: What is USDA's estimate to carry out the Conservation Security Program as included in the recently passed Senate Farm Bill for each of the fiscal years 2002-2011. How much of the total would go toward technical assistance for each of the fiscal years 2002-2011? Would all the technical assistance be carried out by NRCS?

Response: There is considerable uncertainty on the cost of carrying out the Conservation Security Program (CSP) due to the innovative nature of the program, the mix of components involved with the payment system, and the need to clarify specific requirements for participation at each of the three tiers. A pilot program would help us clarify these items, improve our estimates of realistic costs, and take steps to insure smooth operation of such a program at a more workable scale. The estimated costs for CSP provided by the Congressional Budget Office are as follows:

(dollars in millions)

Fiscal Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Estimated Outlays	$0	$11	$46	$114	$216	$359	$516	$674	$820	$946

Based on our preliminary analysis and certain assumptions on the extent of enrollment interest by producers, we would expect the program costs to be somewhat higher than those estimated by CBO. However, some of the features

for this potential program are changing and we do not have a definitive estimate of costs at this time.

It must be pointed out that, if the Secretary determined that USDA would not be able to fully carry out the program at the level implied by the eligibility stated in the Senate bill, or if the program were capped either by dollar amount or by acreage enrolled, the cost would be based on the cap imposed and would be less than that of an open ended program authority.

NRCS would not carry out all the technical assistance associated with CSP. The farm bill language as currently written provides that third-party vendors may be used to provide technical assistance. This is consistent with the Secretary's document, *Food and Agriculture Policy: Taking Stock for the New Century*, which states that the Department of Agriculture will seek creative partnerships and private sector involvement in its programs. NRCS has a history of utilizing non-federal and private sector consultants in many capacities. We will bolster this effort, based upon the results of the Farm Bill process, and we will make sure that qualified providers of technical assistance are able to assist in implementing farm bill programs, including a Conservation Security Program, if enacted.

NRCS is presently finalizing a model for estimating the cost of programs using a more accurate timekeeping system and current staff year costs. Once the farm bill is finalized, a realistic estimate of technical and financial assistance costs will be possible using this model.

FUNDING FOR THE ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM

Mr. Bonilla: How much would it cost in fiscal year 2003 to carry out the technical assistance associated with the Environmental Conservation Acreage Reserve Program (ECARP) as passed in the Senate farm bill?

Response: The Senate-passed Farm Bill would eliminate the Environmental Conservation Acreage Reserve Program (ECARP) and replace it with a new Comprehensive Conservation Enhancement Program (CCEP). The CCEP would contain the previously existing ECARP programs: the Conservation Reserve Program, Environmental Quality Incentives Program, Wetlands Reserve Program. The CCEP would also add the Wildlife Habitat Incentives Program, Farmland Protection Program, and Conservation of Private Grazing Lands. In addition, the legislation would include the proposed Grassland Reserve Program under the CCEP umbrella.

ACREAGE UNDER PILOT WATER CONSERVATION RESERVE PROGRAM

Mr. Bonilla: How many acres would NRCS be able to enroll under the pilot water conservation reserve program passed in the Senate Farm Bill.

Response: The Senate Farm Bill included a provision for Water Conservation Acreage under the Conservation Reserve Enhancement Program. The bill sets an upper limit of 500,000 acres for this provision.

At this point it is difficult to forecast how many acres might be enrolled under this program for several reasons. As a provision under the CREP program, states need to submit a proposal for review and approval. The

Secretary will then give a priority to states that contribute 20 percent or more of the cost of the proposal. Secondly, the rental rate is to be set at a level such that the eligible entity is fairly compensated for the irrigated land value which could be fairly substantial especially with respect budgetary constraints many states are currently facing.

WETLANDS RESERVE PROGRAM FARM BILL ACREAGE

Mr. Bonilla: How many acres can the NRCS enroll in the Wetlands Reserve Program in fiscal year 2003 should the Farm Bill be signed into law by then? What would be the cost for technical assistance to enroll these acres?

Response: With the lifting of the acreage cap, NRCS could enroll up to 250,000 acres in FY 2003. According to an NRCS workload assessment, it costs an estimated $95 per acre for NRCS technical assistance and $5 per acre for technical assistance provided by other Federal and State agencies. No final accurate technical assistance costs can be determined until the Farm Bill is passed and we have finalized any necessary modifications to program policy and procedure.

WILDLIFE HABITAT INCENTIVES PROGRAM FUNDING

Mr. Bonilla: What level of funding would be required to carry out an effective Wildlife Habitat Incentives Program in fiscal year 2003?

Response. With the lifting of the funding cap, at least $50 million would be needed in FY 2003 to run an effective Wildlife Habitat Incentives Program.

FARMLAND PROTECTION PROGRAM FUNDING

Mr. Bonilla: What level of funding would be required to carry out an effective Farmland Protection Program in fiscal year 2003?

Response: With the lifting of the funding cap, the amount required to run a successful Farmland Protection Program would be $250 million in FY 2003.

BARTHEL v. USDA

Mr. Latham: The NRCS has failed to make any rule revisions or operating changes following the ruling of the Eight Circuit Court in Barthel v. USDA (1999). In this case the court found that the NRCS has misunderstood and improperly enforced the wetland conservation provisions of the farm program; specifically, the Eight Circuit ruled that a landowner is entitled to make drainage improvements needed to maintain the levels of use (scope & effect) that resulted from the more far reaching hydrologic modifications of the past.

Why has the NRCS continued to ignore the ruling of the Eight Circuit in considering only ditches and tile drains that existed on December 23, 1985 wetlands?

Response: Pursuant to the ruling of the Federal Eighth Circuit Court, the NRCS reconsidered its technical determination. The reconsideration included a review and analysis of all available information concerning prior production and water regimes. A revised technical determination was issued on November 6, 2001.

AMERICAN FARM BUREAU FEDERATION CONCERNS

Mr. Latham: The American Farm Bureau Federation has again made a priority funding to guarantee proper implementation of CAFO and TMDL regulations.

What steps has the Department taken to ensure the proper implementation of CAFO and TMDL regulations?

Response: The U.S. Environmental Protection Agency (EPA) has two water quality related rulemaking activities underway where NRCS and other USDA agencies have been discussing issues and concerns and providing input: 1) the proposed Total Maximum Daily Load (TMDL) regulation; and, 2) the proposed National Pollution Discharge Elimination System (NPDES) and Effluent Limitation Guidelines (ELG) for Concentrated Animal Feeding Operations (CAFO).

TMDL - In August 2001, USDA established a USDA interagency working group charged with examining the effect of the EPA July 2000 TMDL rule on USDA programs and activities, its partners, and its customers. The workgroup includes representation from the Agricultural Research Service; Cooperative State Research, Education, and Extension Service; Economic Research Service; Forest Service; Natural Resources Conservation Service (NRCS); and the Office of the General Counsel. This USDA workgroup has been meeting and exchanging ideas with EPA on a regular basis over the past seven months.

USDA has substantial interest in the TMDL rule because of the direct relationship between natural resource management and use and the quality of connected waters. Over 80 percent of the land area of the United States is cared for by farmers, ranchers, private forest landowners, and National Forest managers. The approaches this Nation

adopts to address TMDLs may have substantial impact on the natural resource base, the agriculture and forestry sectors, and the economic status of individuals and communities across this country.

By discussing issues and concerns and providing input to EPA, USDA seeks to strengthen the agricultural, forestry, and natural resources systems perspective in the final TMDL rule. USDA also seeks to explore opportunities to use USDA programs, activities, and expertise through locally led efforts to help landowners and communities with watershed and natural resource conservation, protection, and enhancement, including TMDL situations.

Based on discussions at the working group level, EPA appears to be considering significant changes in the TMDL program. USDA recognizes that the authority to develop the TMDL rule rests solely with EPA, as does the final responsibility for the content of the rule.

CAFO - USDA's involvement with EPA regarding the proposed CAFO rule is similar to the TMDL rule. In June 2001, the EPA Office of Water and the USDA Natural Resources and Environment Deputy Under Secretary, established an interagency workgroup to foster discussions between the agencies on the proposed revision to the rule governing concentrated animal feeding operations (CAFO). NRCS is one of a number of USDA agencies on the interagency workgroup. This interaction is founded on an expectation that the opportunity for USDA input will make the final rule more workable for agriculture by strengthening the agricultural system perspective in the analysis used to finalize the proposed CAFO rule.

The focus of the ongoing EPA/USDA dialogue is on issues identified through USDA's review of the proposed revision to the CAFO rule. On July 2, 2001, the EPA-USDA workgroup convened and developed an approach to pursue discussions between the two agencies. Interagency sub-teams were established to evaluate the issues, develop approaches to address or mitigate concerns, define additional data or information needed to support analyses, and identify potential options that could be explored. Sub-teams assess their assigned issues and report results to the entire workgroup. The information developed through the sub-team efforts will be elevated to appropriate EPA staff and leadership for consideration in its decision-making process.

USDA's participation in these discussions is to identify issues, suggest strategies or approaches to resolve issues, and provide data and information to support additional analysis. EPA's participation in these discussions is to clarify the intent of sections giving rise to issues, identify additional data or information needed, and assess the information provided by USDA for potential use in finalizing the CAFO rule. USDA recognizes that the authority to develop the CAFO rule and the effluent limitation guidelines rests solely with EPA, as does the final responsibility for the content of the rule.

NORTHWEST IOWA PRAIRIE RC&D

Mr. Latham: Currently, the Northwest Prairie RC&D is in the formation stage in my Northwestern Iowa District. Three projects are currently being undertaken by this RC&D area including Resource Management Assistance, Rural Fire Protection, and Alternative uses of CRP.

What action does the NRCS take in fostering the continued development and solvency of RC&D Areas in Formation?

Response: Within the constraints of existing Conservation Technical Assistance funding, NRCS provides limited help to applicant areas. On occasion, applicant areas are successful in getting project support from USDA agencies to carry out specific activities. The three projects you cite are good examples of the limited actions they may be able to undertake while awaiting designation.

FARM BILL CONSERVATION TITLE

Mr. Latham: Both versions of the farm bill provide for increases in conservation funding. With the recent passage of the Senate version, the Farm Bill now moves to a conference where the conflicting aims of the Commodity titles and Conservation titles can be reconciled.

Has the NRCS taken a position on either version? If so, why?

Response: NRCS has taken no position on either bill.

Mr. Lathan: Will the funding levels provided for EQIP adequately fund the current enrollment?

Response: Historically, landowner requests for EQIP will be 3 to 4 times the funds available. We do not expect the trend to change in FY 2003.

Mr. Latham: Does the NRCS see enough of a geographic disparity to support the Senate provision of $12 million to each state for regional equity in conservation funding?

Response: The demand for current conservation programs exceeds the current funding throughout the nation. The regional equity language would include programs within Subtitle D including EQIP, Wildlife Habitat Incentives Program, Wetland Reserve Program and Farmland Protection Program. NRCS can not take a position on pending legislation.

USE OF BIOFUELS AND BIOPRODUCTS

Ms. Kaptur: Mr. Secretary, let me welcome you for your inaugural appearance before our Subcommittee. It is good to have someone in your position that hails from Ohio. We did not have NRCS before us last year since your appointment had not been made and confirmed during our hearing cycle. We missed having the agency here. You have an extensive background in forestry issues. What do you consider to be your main accomplishments on the Resource Conservation side of your career?

Response: Among the accomplishments I am most proud include: work during the 1970s and early 1980s on the development of nonpoint Source Pollution Control Programs to address Forestry and Agricultural Activities; work on Quincy Library Act (QLA) that was passed by Congress in 1998; and, work on the Secure Rural Schools and Community Payments Act that was passed by Congress in 2000.

Ms. Kaptur: I am impressed with the seven principles you have outlined for your conservation policy, including your points about designing and adopting a portfolio approach to conservation, along with coordinating conservation and farm policies. With these principles in mind, what do you see as your role and your potential for encouraging the use of biofuels and biobased products by the agencies under your jurisdiction?

Response: Expanded use of biofuels and bioproducts fully supports our conservation policy for agriculture. This is a win-win situation providing expanded markets for farm and forest products and environmental enhancement though the substitution of renewable for non-renewable resources. My role is to provide leadership to the Natural Resources Conservation Service and Forest Service as we implement these principles. Increasing demand for these bioproducts is essential for markets to develop and the Federal government has a role to support them through its purchases. The Federal government also needs to be prudent in its use of taxpayer funds. We are using biofuels where they are available and meet our needs and are engaged in demonstration projects to test the effectiveness of bioproducts such as lubricating oils. I will make sure that agency leadership furthers the use of these products as they are demonstrated to be effective.

FOREST SERVICE VEHICLE FLEET AND ALTERNATIVE FUELS

Ms. Kaptur: While the Forest Service is not directly in our jurisdiction, can you spend a moment to talk about the vehicle fleet operated by the Forest Service? I understand it is one of the largest fleets of any federal agency. How much of the fleet is composed of vehicles with E-85 engines or other types of alternative fuel engines, and what is your long-range plan for acquisition?

Response: The Forest Service (FS) owns and operates a fleet of approximately 19,000 vehicles, which includes heavy equipment, off-road vehicles, snow machines, boats and airplanes. Passenger carrying vehicles make up approximately 3 percent of the total fleet and work trucks

comprise another 86 percent of the fleet. Included in the FS vehicle fleet are more than 150 alternative fuel vehicles. The alternative fuels used in these vehicles include compressed natural gas, liquid propane gas, propane gas, methanol, ethanol and electricity. FS also operates more than 4,000 vehicles with diesel engines that can run on bio-diesel products. FS uses, on an annual basis, approximately 60,000 gallons of alternative fuels in its fleet vehicles. Executive Order 13031 - Federal Alternative Fueled Vehicle Leadership - requires that 75 percent of nonexempt vehicles acquired by Federal agencies for use in metropolitan statistical areas with populations of 250,000 or more use alternative fuels. Approximately 90 percent of the nonexempt vehicles FS acquires for use in these areas are alternative fuel vehicles. The remaining FS vehicles are associated with law enforcement or fire activities, are in lesser populated areas, or meet other conditions that exempt them from the Order. Long-range acquisition plans include the annual purchase of more 50 alternative fuel vehicles.

NRCS VEHICLE FLEET AND ALTERNATIVE FUELS

Ms. Kaptur: What specifically can you tell us about NRCS vehicle fleet in this regard (the use of E-85 engines and other types of alternate fuel vehicles)? One would assume that a conservation agency would want to be a strong proponent of these alternate fuel vehicles.

Response: NRCS currently has 97 E-85 Alternate Fuel Vehicles (AFV's) and two Compressed Natural Gas (CNG) AFV's in the motor vehicle fleet. According to the USDA's Departmental Administration, although NRCS is the number two USDA agency in terms of number of vehicles in its fleet, NRCS is the number one USDA agency in acquisition and use of AFV's.

Ms. Kaptur: What are you currently doing, or what could you do, for the agencies under your jurisdiction to be bigger users of biofuels and biobased products?

Response: In the past, NRCS offices concentrated on acquisition of AFV sedans due to limited availability of E-85 AFV's. AFV trucks that were available did not meet agency needs. However, NRCS has just been notified that Standard Item 41 and 46 (Trucks) are now available in E-85, and we will purchase these and other AFV's to the maximum extent practicable. If incremental funding were available, that would provide more incentive to purchase additional AFV's and other biobased products.

RESOURCE CONSERVATION & DEVELOPMENT

Ms. Kaptur: In your written testimony, you acknowledge the support of this subcommittee for funding new RC&D areas. Our final appropriation last year was $5 million over the Administration's request. And your request for FY 2003 is an increase of about $4 million over FY 2002. But your budget justification documents are confusing, in that you suggest that there had been about $2.8 million for health and retirement benefits, so that your justification at one point suggests that your requested increase is only about $1.1 million. Please walk us through these numbers. Some people who compare your '03 request with the '02

appropriation are likely to believe that you are requesting an increase of $4 million, which they would think would go entirely for the maintenance and establishment of RC&D districts, and apparently that is not the case.

Response: Beginning in FY 2003, the Administration has proposed legislation requiring agencies to pay the full Government share of the accruing cost of retirement for current CSRS and Federal Employees of other agencies (i.e., CIA, Foreign Service, the Coast Guard). This legislation would also require agencies, in this case NRCS, to pay the accruing cost of post-retirement health benefits for current civilian employees and the post-retirement health costs of all retirees of the Uniformed Services.

The RC&D program represents one of NRCS' appropriated accounts that are affected by changes in the Federal personnel expenses (i.e., retirement, pension, and health benefits). The FY 2003 budget request for RC&D represents an increase of $3,983,000 over the Appropriations Act of FY 2002 of $48,048,000. Of this increase, $2,865,000 is associated with the pension and annuitant health benefits, formerly funded through the Office of Personnel Management, and currently included in NRCS budget request. The remaining increase of $1,118,000 is primarily associated with funding pay costs increases.

Ms. Kaptur: I certainly support increased funding for RC&D's because the value of viable conservation programs cannot be underestimated. Some prior administrations have not been supportive of the RC&D program, claiming that the benefits accrued to localities, rather than the nation as a whole. How would you sum up the value and potential of the RC&D program?

Response: RC&D Councils are locally led and the priorities are set locally. Many of the issues addressed by RC&D Councils are issues of concern nationwide. The outcomes of most RC&D projects more often than not benefit a larger area. The cumulative effect of multiple RC&D activities nationwide benefits the nation. For example, two issues of national concern are water quality and wildlife habitat. The majority of RC&D Councils undertake a large number of projects in these two areas, thereby responding to national concerns and assist in preserving these natural resources for generations to come.

During 2001, a time when our national economy was in a decline, RC&D Councils nationwide conducted programs of economic importance that helped revitalize rural economies and established employment for over 7,500 people.

The RC&D areas were able to leverage in FY2001 the value of the small amount of technical assistance they received from USDA into $157 million to help improve both Natural Resources and the economy nationwide. They are consistent in their ability to do this from year to year.

Most Councils and USDA staff associated with the RC&D program feel the potential is enormous. RC&D project successes and impacts realized to date barely scratches the surface of what this program could accomplish.

URBAN SPRAWL

Ms. Kaptur: Can you detail for us the volume of requests for assistance you are currently receiving on urban sprawl, and how you respond?

Response: The NRCS Integrated Accountability System indicates that for fiscal year 2001, NRCS and its partners reported over 450,000 instances of assistance to communities, groups and individuals with non-agricultural natural resources conservation issue requests. Many of these requests are related to the adverse effects of sprawl and the rapid conversion of agricultural lands.

Also in fiscal year 2001, NRCS received 188 proposals for funding under the Farmland Protection Program and distributed approximately $17 million to help communities prevent the conversion of important farmland.

For the last two years, NRCS received an average of 2,000 requests from over 20 Federal agencies for land evaluations to evaluate potential farmland conversion associated with Federally funded projects. The Farmland Protection Policy Act process identified over 250,000 acres each of the last two years for proposed conversion to non-agricultural uses. Half of this land is considered Important Farmland; land that is predominantly prime or unique, or identified as having state or locally important soils.

NRCS and its partners respond to these requests by providing a wide range of assistance to individuals and communities. Assistance includes soils information for land use planning, development of local Land Evaluation and Site Assessment systems, implementation of the Farmland Protection Program, and assistance with installing storm water management and erosion and sediment control measures in developing areas.

Ms. Kaptur: How effective are university-based programs in dealing with urban sprawl?

Response: Universities excel at identifying and targeting research programs to address emerging sprawl issues and they also excel at preparing students for careers in community and resource planning. The transfer of the university research beyond the Extension System, however, is a more difficult niche for universities to fill. Transfer of university research to applied practices can occur in a collaborative environment where existing networks of natural resource professionals can effectively deliver one-on-one assistance to individuals and communities. NRCS can effectively partner with the university system because it has a national, field level network that delivers conservation technology to individuals and communities.

Ms. Kaptur: How have you worked with ARS, ERS, and the University systems to be sure that appropriate research is being done on urban sprawl?

Response: NRCS' influence on the work of the research branches of USDA is accomplished formally and informally. Formally, NRCS develops and presents to the USDA research agencies a slate of high priority research topics associated with conservation of natural resources. In fiscal year 2001, the NRCS national high priority research needs, which are used by ARS, the Cooperative State Research, Education and Extension Service, the United States Geological Survey, Universities, and others, included research on the efficiency of vegetated filter areas in removing nutrients, pathogens, and suspended solids. Such filters are important in mitigating the effects of sprawl. The ARS' National Program Staff consults with NRCS representatives to identify research programs to insure program relevancy. Informally, NRCS addresses the USDA research agenda through a network of professionals responsible for urban sprawl issues within each agency. NRCS has worked with ERS to produce ERS research publications such as " Development at the Urban Fringe and Beyond," and " Partial Interest in Land."

NRCS also works with other organizations that have an interest in sprawl. The American Farmland Trust (AFT), in cooperation with NRCS, prepared the " Farming on the Edge" report which addresses the impacts of sprawl and the projections of growth impacts on farmland. In addition, NRCS and AFT cosponsored a regional conference last September entitled " Protecting Farmland at the Fringe: Strengthening the Research Agenda." The Conference brought practitioners and the research community together to help identify sprawl related research needs. NRCS is also working with the Council for Agricultural Science and Technology as it develops a report on urban agriculture with recommendations for expanding university research agendas.

Ms. Kaptur: Which states do you believe have the most significant problems with urban sprawl, and what are they doing to address it?

Response: We believe that the most significant problems exist in the following areas: Sacramento and San Joaquin Valleys (central California); the Northern Piedmont (parts of Maryland, New Jersey, Pennsylvania and Virginia); Southern Wisconsin and Northern Illinois; Texas Blackland Prairie; Willamette and Puget Sound Valleys (parts of Oregon and Washington); Florida Everglades; Eastern Ohio; Lower Rio Grande Plain (Texas); Mid-Atlantic Coastal Plain, New England; and parts of New York, Tennessee, Idaho, Michigan, and Wisconsin. Texas lost more high quality farmland than any other state - 489,000 acres during 10-year " Farm on the Edge" study period.

Recent data from the Northeast Midwest Institute shows that twenty-seven States moved forward with initiatives to promote " smart growth" in 1999 and 2000. The twenty-seven states are Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Utah, Wisconsin, and Wyoming.

The NRCS Natural Resources Inventory indicates that from 1982 through 1997, twelve states and the Commonwealth of Puerto Rico had a rate

of development more than twice that of the nation as a whole. These states include New Jersey, Massachusetts, Florida, Maryland, North Carolina, Rhode Island, Delaware, Georgia, New Hampshire, Pennsylvania, South Carolina, and Connecticut.

WATERSHED PROGRAMS

Ms. Kaptur: Mr. Secretary, in reviewing both your prepared testimony, as well as that of Chief Reed's, while you both reference eliminating funding for Watershed Surveys and Planning, Watershed and Flood Prevention Operations, and the Watershed Rehabilitation Program, neither of you offer a justification for this program. However, the Explanatory Notes for the NRCS request suggest that the elimination of funding is because you believe that the benefits for the projects are localized. Isn't this the argument that used to be used to justify cutting funding for RC&Ds?

Response: In the late 1980's, the Administration proposed to eliminate the RC&D program, not only because benefits were highly localized but also because they were hard to quantify.

Ms. Kaptur: To the extent that you imply that the benefits of the program have been monitored over time, what is the time frame that has been used?

Response: PL-83-566 statute was amended in 1990, requiring NRCS to capture the economic and environmental data on all authorized watershed projects.

Ms. Kaptur: What criteria have been used to evaluate these projects?

Response: " Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies" along with the National Environmental Policy Act are used to evaluate Watershed Protection and Flood Prevention Projects.

Ms. Kaptur: What performance measure were program operators expected to meet?

Response: Project sponsors and local communities agreed to implement the conservation measures and practices that were developed, through the locally-led process, and documented in their authorized project plan.

Ms. Kaptur: What kind of guidance or evaluation were they given as these projects were developed?

Response: A comprehensive watershed plan was developed for every legally authorized watershed project in accordance with statutory requirements of PL-566 and guidance provided in the National Watershed Manual. The local units of government and NRCS signed the watershed plan, which serves as the contract between the sponsoring local organizations

and the federal government. All Watershed Projects are developed in accordance with the "Economic Principles and Guidelines for Water Related Land Resources and Implementation Studies" and the National Environmental Policy Act.

Ms. Kaptur: If the programs have not had sufficient benefit for broader water quality goals, why were these goals not in place at an earlier time?

Response: The existing program was based on the Flood Prevention Act PL-534 where the primary purpose is flood control and the Watershed Protection and Flood Prevention PL-566 where the original purposes were watershed protection and flood control. Water quality was not added to the statutes as a purpose until the 1980s.

Ms. Kaptur: Why couldn't you revise the administration of the program instead of terminating it all together?

Response: It was determined that there are higher priority programs that address natural resource problems more efficiently and that Federal funds should be directed to them.

Ms. Kaptur: Your justification also suggests that there are non-federal entities providing technical and financial assistance. Can you identify them for us, along with what level of assistance they are providing?

Response: We are aware of other state and local agencies that provide assistance to local sponsors. We do not have a list of those agencies or at what level they are providing assistance.

Ms. Kaptur: Are their eligibility criteria different from those used by NRCS, and if so, in what way?

Response: We are aware that their criteria are different, but we do not know the specifics.

Ms. Kaptur: If we end regular watershed programs, as you propose, don't we increase the risk that responsible on-going activities will not take place, and that more situations are likely to be viewed as emergencies in the years to come?

Response: We will encourage and help sponsors and local communities to look elsewhere for technical and financial assistance for implementing their projects, which will hopefully maintain ongoing activities.

Ms. Kaptur: As you study watersheds and other water systems, doesn't that information help us be prepared in case of any kind of national emergency, from natural disasters to biological attacks?

Response: Yes, studies of watersheds and other water systems do help us prepare for national natural disaster emergencies. These studies inventory and evaluate natural resource problems and highlight

inventory and evaluate natural resource problems and highlight alternatives that can minimize the effects from natural disaster emergencies. Some of the information from the studies could also be useful in planning recovery from biological attacks. This type of information is also available from other Federal, state and local sources.

GRAZING LANDS

Ms. Kaptur: In your prepared testimony, Chief Reed, you refer to the value of healthy grazing lands for the reduction of erosion, improving air quality, reducing flooding, and a number of other important environmental concerns. As you look back at the conservation programs that we have had in place for the past ten to twenty years, do you believe that the condition of our land and water resources is better?

Response: In my testimony, I specifically mention technical assistance provided in 2001 by NRCS to land users on more than 18 million acres of the Nation's 630 million acres of grazing lands. The demand for our assistance in addressing such issues as soil erosion, productivity, water quality, air quality, and other associated natural resource concerns has increased dramatically. Over the past 20 years, we have made significant progress in protecting the health, productivity, and economic viability of our Nation's working lands. A large backlog of work remains and the same environmental concerns that face the grazing lands community also face the farming sector. Many of our baseline conservation programs (CTA, EQIP, CRP, FPP, GLCP, WHIP, WRP, EWP, and RAMP) in which NRCS provides technical assistance and cost share support are specifically designed to treat and monitor progress toward addressing these important natural resource concerns.

NRCS administered and supported conservation programs have resulted in a net reduction in soil erosion on our nation's croplands from 3.1 billion tons annually in 1982 to 1.8 billion tons in 2000. This is a reduction in annual soil erosion rates of 40 percent. In 1982, approximately 170 million acres or 40 percent of all cropland acres were eroding at excessive rates (above acceptable levels). By 2000, that amount had been reduced to 108 million acres or 28 percent of total cropland acres.

Conservation programs and practices such as conservation tillage (no till/minimum tillage) and CRP are examples of programs that have led to reduced erosion rates, improved soil quality/health and increased levels of carbon storage/sequestration within our cropland soils. Keeping soil in place and within tolerable loss limits is at the heart of most NRCS conservation programs. The impact of soil erosion on the overall health of the soil resource base and the many associated water quality and quantity issues have been significant environmental concerns for the nation since the dust bowl days. Wetland losses have also slowed dramatically. Over the past decades, average annual losses due to agriculture were 27,000 acres per year for the period 1992 to 1997, compared to 157,000 acres per year during 1974 to 1983, and 398,000 acres per year for 1954 to 1974. Programs designed to restore or enhance wetlands such as the Wetlands Reserve Program (WRP) have had a significant

impact on reducing wetland losses. Progress directed toward reducing wetland losses and controlling and reducing soil erosion rates documents the tremendous impact of NRCS programs on improving the condition of our land and water resources.

Ms. Kaptur: What do you believe the condition might have been if we had not had these programs?

Response: Deteriorating soil, water, and air quality, reduced levels of agricultural production and impoverished rural economics and communities. In general, a lower quality of life for all Americans.

HOUSE AND SENATE FARM BILLS

Ms. Kaptur: As you look at the House and Senate farm bills, which provisions in each bill do you believe positively contribute towards our conservation needs?

Response: Each provision makes its unique contribution towards conservation. The working lands provisions that focus on national conservation goals specifically are Environmental Quality Incentives Program, Farmland Protection Program, Wetland Reserve Program, the Grassland Reserve Program, the Conservation Security Program, and the Forest Lands Enhancement Program. The Conservation Reserve Program takes sensitive lands or buffer zones adjacent to working lands out of production. Wildlife Habitat Incentives Program focuses on wildlife habitat areas typically adjacent to agricultural lands. These programs when utilized appropriately at the local level combine to form the conservation portfolio approach discussed in the Secretary's document, *Food and Agriculture Policy*.

FARM BILL CONSERVATION PROGRAMS

Ms. Kaptur: I know that there are some who believe that one of the benefits of our conservation programs is that they provide a measure of income assistance to all producers, not just those growing price supported commodities, while also providing the very real benefits of conservation. What has been the response of farmers and ranchers to these programs?

Response: Based on conservation need and program goals rather than participant income, all of the NRCS Farm Bill conservation programs have a demand which greatly exceeds the available funding levels over the past few years. But the program in greatest demand continues to be the day-to-day conservation technical assistance provided in every field office across the country. Within this basic technical assistance resides the long-standing capacity of NRCS to assist farmers and ranchers answer their most immediate natural resource related conserns based on science, data and professional experience.

CONSERVATION OPERATIONS INCREASE

Ms. Kaptur: While you talk about an increase of $118 million for conservation operations, you also acknowledge that much of this is due to

the effort to self-pay for employee benefits. If you were to net out these cost shifting provisions, what is the real increase that is available to undertake more conservation activities?

Response: If you net out the cost of pensions and annuitant health benefits, pay increases and inflation, the real increase that is available to undertake more conservation activities is $17.9 million.

GRAZING LAND ACREAGE

Ms. Kaptur: Chief Reed, throughout your testimony you refer to treating large amounts of acreage - 9.6 million acres of cropland, 11.3 million acres of grazing land, etc.. While those numbers certainly sound large, they may not be numbers that the average person can comprehend. Are there other ways you can describe this acreage? For example, what percentage of cropland and grazing land - both total and eligible - is actually incorporated into your program?

Response: Of the Nation's 1.94 billion acres, about 1.49 billion are nonfederal lands. Virtually all private land is eligible for assistance under NRCS programs, whether CTA, RC&D, Farmland Protection Program, or others. In FY 2001, NRCS field staff and partnership employees applied conservation systems to the full resource management system level on 9.6 million acres of cropland and 11.3 million acres of grazing land. The area of cropland where these comprehensive systems were completed is an area larger than the combined surface area of the states of Maryland and Delaware. The 11.3 million acres of grazing land fully protected is an area larger than New Hampshire and Vermont combined.

Ms. Kaptur: How does that acreage compare to the size of states? For example, what is the state closest in size to the programs covered in conservation operations? How does Ohio compare? Are these programs a fraction of Ohio's total acreage, or a multiple of Ohio's acreage?

Response: The 20.9 million acres of cropland and grazing land on which full resource management systems were applied in FY 2001 is about 80 percent of the surface area of Ohio. As I noted in my testimony, the total area on which NRCS provided conservation planning assistance in FY 2001 was 31.4 million acres. This is an area about the size of New York or Louisiana. It is almost 20 percent larger than Ohio's surface area of 26.4 million acres.

APPLICATIONS FOR CONSERVATION PROGRAMS

Ms. Kaptur: Certainly there are far more applications than may be available resources for each of your programs. For the record, could you provide a table that takes the conservation programs you consider to be among your most significant, including CRP, CREP, EQIP, WRP, and WHIP, and identify for each of the past five years by program the number and value of applications received, what limitation was imposed at the time for that program (e.g. maximum enrolled acres), and what the amount you were able to approve?

Response: The Farm Service Agency administers CRP and CREP, and they could better respond to those programs. The following is provided for EQIP, WRP and WHIP.

Environmental Quality Incentives Program (EQIP)

Year	Total No. Applications	Value of Applications	Applications Approved	Value of Approved Applications
1997	73,965	$512,737,052	24,812	$175,248,774
1998	80,949	$578,583,969	20,261	$153,981,279
1999	67,851	$482,037,014	18,785	$134,978,634
2000	53,961	$401,482,014	16,249	$132,643,106
2001	55,458	$412,917,788	17,788	$156,786,302

The limitation imposed at the time was available funding with a maximum individual limit of $50,000 per contract. Applications were approved based on environmental ranking within funding limits.

Wetlands Reserve Program
Enrollment Activity

	Applications			
	Number	Funded	Acres Enrolled	Funding
Prior to 1996			233,516	
1996	1,987	540	92,405	$77,000,000
1997	2,175	703	127,267	$118,000,000
1998	1,859	1,080	211,917	$216,000,000
1999	3,276	767	119,919	$118,000,000
2000	5,256	2,103	149,915	$160,078,000
2001	4,207	898	139,306	$155,832,000
Total	18,760	6,091	1,074,245	$844,910,000

WildLife Habitat Incentives Program
Enrollment Activity

	Applications			
	Number	Funded	Acres Enrolled	Funding
1998	9,147	4,600	672,000	$30 million
1999	6,872	3,855	721,249	$20 million
2000				
2001	4,796	2,274	212,361	$12.5 million
Total	20,815	10,729	1,605,610	$62.5 million

No funding provided in FY2000

*Estimated Acres

Ms. Kaptur: How did the availability of technical assistance factor into these programs?

Response: NRCS technical assistance in support of these programs exceeded the technical assistance funding provided by the individual programs.

DROUGHT RISK ASSESSMENT

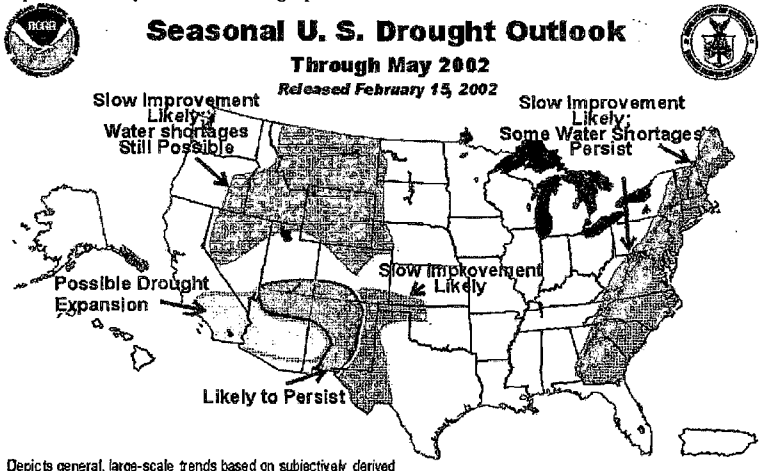
Ms. Kaptur: There certainly have been many stories in the Washington local press in recent days regarding concerns about drought in the region. We have also heard reports that this winter may have been among one of the warmest in the past 100 years, with relatively low amounts of snow and rainfall. What is your assessment of the risk of drought this year?

Response: A map showing moisture conditions that was prepared by the Natural Resources Conservation Service's National Water and Climate Center is being provided for the record.

[The information follows:]

Drought Risk Assessment

The Seasonal U.S. Drought Outlook issued on February 15, 2002, and valid through May 2002, indicates "slow improvement likely: some water shortages persist" for the eastern U.S.



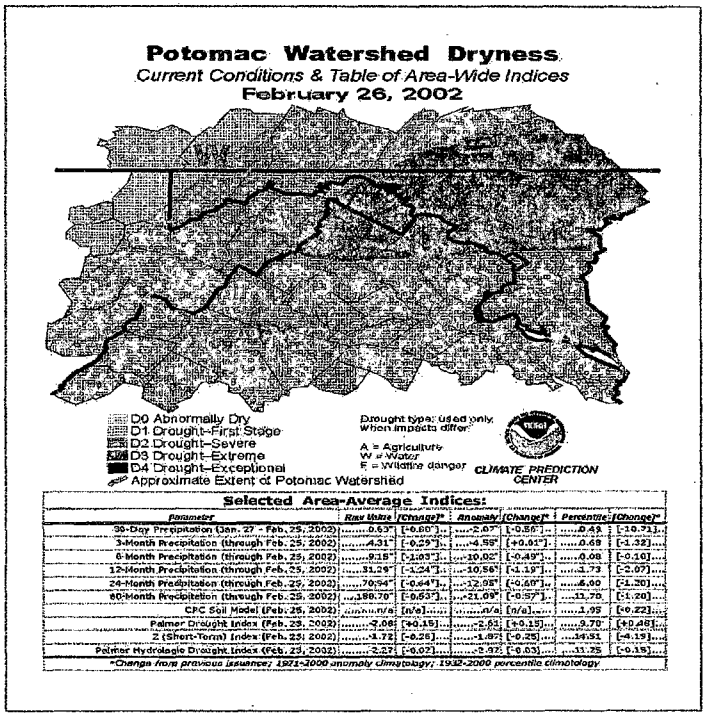
Depicts general, large-scale trends based on subjectively derived probabilities guided by numerous indicators, including short and long-range statistical and dynamical forecasts. Short-term events--such as individual storms--cannot be accurately forecast more than a few days in advance, so use caution if using this outlook for applications-such as crops-that can be affected by such events. Initial drought areas--shown schematically--are approximated from the Drought Monitor. For weekly updates on drought, see the latest Drought Monitor map and text.

Record Winter Warmth

With respect to winter temperatures, the National Climatic Data Center released a report on February 21, 2002 [http://www.noaanews.noaa.gov/stories/s869.htm] stating that the November 2001 to January 2002 period was the warmest on record in the U.S. Global temperatures were warmest on record in January 2002. The preliminary nationally averaged temperature was 39.94 F, which was 4.3 F above the 1895-2001 long-term mean. The previous record for the same three-month period was established in 1999-2000. The January global temperature was the warmest in 123-year surface record. Anomalous warmth covered most land areas of the globe in January, with monthly mean temperatures more than 7 F above average throughout large parts of North America and central Asia.

Washington DC Drought Status

The February 26, 2002, the Potomac Watershed Dryness (Figure 1.) indicated an extreme hydrologic drought (category D3) just to the north of the Washington DC area. Potential impacts of a D3 hydrologic drought are widespread water shortages or restrictions.



Selected Area-Average Indices:

Parameter	Raw Value	(Change)*	Anomaly	(Change)*	Percentile	(Change)*
30-Day Precipitation (Jan. 27 - Feb. 25, 2002)	0.63"	[+0.80"]	-2.07"	[-0.56"]	0.41	[-10.71]
3-Month Precipitation (through Feb. 25, 2002)	4.31"	[-0.29"]	-4.59"	[+0.01"]	0.69	[-1.32]
6-Month Precipitation (through Feb. 25, 2002)	9.15"	[-1.03"]	-10.02"	[-0.49"]	0.08	[-0.10]
12-Month Precipitation (through Feb. 25, 2002)	31.29"	[-1.24"]	-10.56"	[-1.19"]	1.73	[-2.07]
24-Month Precipitation (through Feb. 29, 2002)	70.94"	[-0.64"]	-12.95"	[-0.60"]	6.00	[-1.30]
60-Month Precipitation (through Feb. 29, 2002)	180.70"	[-0.53"]	-21.09"	[-0.97"]	11.75	[-1.20]
CPC Soil Model (Feb. 25, 2002)	n/a	[n/a]	n/a	[n/a]	1.95	[+0.22]
Palmer Drought Index (Feb. 23, 2002)	-3.08	[+0.15]	-2.61	[+0.15]	9.70	[+0.48]
Z (Short-Term) Index (Feb. 23, 2002)	-1.72	[-0.26]	-1.87	[-0.25]	14.91	[-0.19]
Palmer Hydrologic Drought Index (Feb. 23, 2002)	-2.27	[-0.07]	-2.97	[-0.03]	11.25	[-0.19]

*Change from previous issuance; 1971-2000 anomaly climatology; 1932-2000 percentile climatology

National Drought Status

Many other areas of the East are experiencing extreme hydrologic drought (D3), including South Carolina, a portion of eastern Georgia, northern Virginia, eastern Pennsylvania, New Jersey and a portion of central Maine as shown in Figure 2.

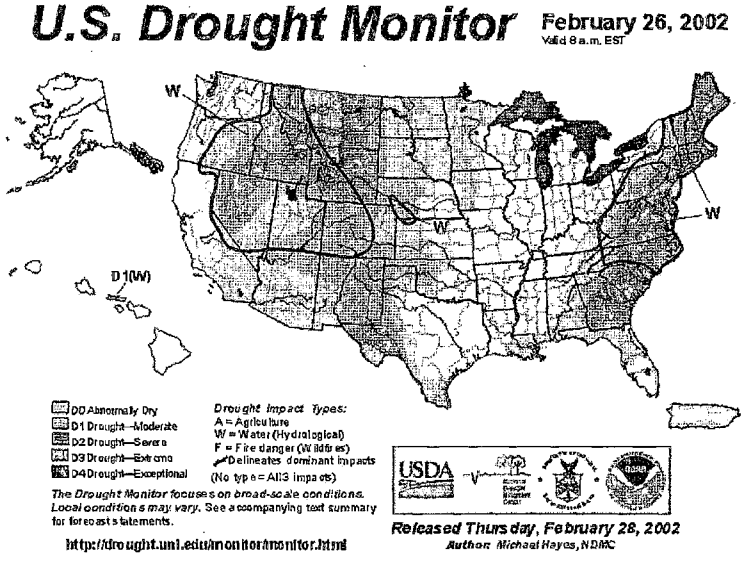


Figure 2. U.S. Drought Monitor

In the past week, the East experienced a dry week with above-normal temperatures, drought and abnormally dry conditions continue to gain attention along the East Coast. Severe drought (D2) was expanded to include all of eastern Massachusetts and Rhode Island, including the Boston and Providence areas. Precipitation departures from normal in the mid-Atlantic states for the 90-day period since late November range between -4.0 and -6.0 inches, and the area of extreme drought (D3) was extended into northern Virginia to accommodate deteriorating drought conditions there.

NRCS hydrologists and climatologists participate in a weekly interagency national assessment of drought conditions. The previous was prepared specifically for the Eastern U.S. NRCS provides some of the remote climate and soil moisture information used in this analysis. Weekly viewing of the U.S. Drought Monitor report is available through the National Drought Mitigation Center at http://drought.unl.edu/monitor/monitor.html. Current NRCS soil moisture information is gathered through a remote automated Soil Climate Analysis Network (SCAN) and is available at http://www.wcc.nrcs.usda.gov/scan/. SCAN soil moisture monitoring if fully deployed would significantly improve national drought risk assessment as described in the recent National Drought Policy Commission's report to Congress.

Materials provided in cooperation with the National Oceanic and Atmospheric Administration

AGRICULTURAL MANAGEMENT ASSISTANCE

Ms. Kaptur: You describe the Agricultural Management Assistance program as providing technical and cost-share assistance in 15 states where participation in the Federal Crop Insurance Program has historically been low. I believe it is important that we be clear on exactly what you mean. Are you looking at low participation when the acreage enrolled is compared to total crop acreage in those states, or when it is compared to total crop acreage? As I am sure you know, there are many specialty crops for which insurance is not available. It isn't that producers don't want to participate in the program, but rather there is no program for them in which to participate.

Response: In conducting the analysis to determine the under served states as defined in Section 133 of the Agricultural Risk Protection Act of 2000 (ARPA), the Risk Management Agency (RMA) considered three criteria (measures) for Federal crop insurance participation: 1) three year average crop insurance liability as a percent of three year average total value of NASS principal crops; 2) percent of insurable acres insured; and 3) percent of total farm operators insured

Criterion two was a measure of participation based on a percentage of " eligible acres," which were only those acres for which Federal crop insurance was available. It was not based on " total acreage." RMA recognizes that this measure may have, in fact, excluded producers of specialty crops for whom no crop insurance plans were available. Section 133 of ARPA directs that a program of " crop insurance education and information" be provided to producers in under served states. Given the inherent focus on crop insurance given in the statute, RMA determined that the use of " eligible acres" was most suitable for defining the measure of participation given in criteria two.

RMA would like to note, however, that as part of its analysis, a single index of participation was calculated for each state based on a composite of all three criteria. Thus, RMA's analysis did not rely on one single measure of participation; rather, each criteria accounted for approximately one-third of the composite measure. Moreover, it is likely that criteria one and three better accounted for the situation with specialty crop producers described previously. RMA's subsequent recommendation of the under served states was based largely on this composite index.

FARM SIZE AND CONCENTRATION

Ms. Kaptur: Many of us have been concerned about the increased levels of concentration in production agriculture. This is true both for crop farmers as well as for livestock operations. What do you see as the current trends? Are average farm sizes staying the same, or are they increasing?

Response: NRCS does not forecast trends in farm size or concentration, however, the USDA's Economic Research Service has a staff that tracks current trends in concentration in production agriculture as

well as farm size statistics, drawing upon Census of Agriculture and survey data from the National Agricultural Statistics Service. They both have websites that supply the official data for USDA. These web sites are as follows: http://www.ers.usda.gov and http://www.nass.usda.gov.

Ms. Kaptur: How do your programs differentiate between small, medium and large-scale operations?

Response: The Natural Resources Conservation Service works to assist farmers and ranchers address natural resource problems and opportunities on private lands, regardless of the size of operation. We also serve customers such as conservation districts, tribal governments, local communities, and non-governmental organizations. Through our Conservation Technical Assistance program, we assisted nearly 2.4 million customers of all types and sizes.

Under current law, we do not provide financial assistance under the EQIP program for the construction of animal waste management facilities for operations over 1,000 animal units. However, we do provide technical assistance under CTA and EQIP for larger livestock operations where warranted in the public interest.

Ms. Kaptur: While it is true that there are increased standards in place for large operations, I am not sure if the environment recognizes the difference. If there are 1,000 dairy cows spread over an amount of acreage, what difference does it make that those cows may be owned by one, two, or ten individuals? I know that some suggest that larger operators are more likely to pay heed to conservation needs, but in your experience, is that true, absent a mandate for their size operation?

Response: America's farmers and ranchers have a strong conservation ethic and irrespective of the size of their operations, these managers and caretakers of the Nation's agricultural lands want to be good stewards of soil and water resources. The Natural Resources Conservation Service (NRCS) provides technical, educational, and financial assistance to owners and operators of animal feeding operations (AFOs) of any size to develop and implement comprehensive nutrient management plans (CNMPs) designed to meet environmental and economic objectives. NRCS conservation practice standards establish design criteria for the conservation measures implemented under a CNMP. These conservation practice standards and criteria apply to operations of all sizes, and help to minimize or eliminate potential risks to natural resources, whether an operator is managing 100 or 1,000 dairy cows. The complexity and extent of the CNMP may vary depending on operation size, however, the objective of meeting the environmental needs remains the same.

The primary programmatic vehicles for assisting AFO owners and operators to develop and implement CNMPs are the Environmental Quality Incentives Program (EQIP) and Conservation Technical Assistance (CTA). Under EQIP, producers with 1,000 or fewer animal units (AUs) (USDA definition) are eligible for the full extent of cost share, while those with greater than 1,000 AUs may receive some financial assistance for certain structural or "barnyard" practices, but not for waste facilities.

EQIP technical assistance and Conservation Technical Assistance are available to operations of any size, the only limitation being the number of staff available to provide that assistance.

BETTER NEIGHBORS

Ms. Kaptur: To the extent that urban and suburban areas grow closer to rural areas, the environmental impact of this mixed use of resources can be significant. How can farmers adjust to these demands for being " better neighbors" being placed on them, when they are doing nothing different today than they have been doing five or ten years ago?

Response: Through conservation programs, farmers and ranchers are using no-till, and strip farming techniques, rebuilding wetlands, creating wildlife habitat and installing buffer strips on farmlands to mitigate potential environmental impacts of farm practices. In fiscal year 2001 alone, over 524,000 acres of buffers, 362,000 acres of wetlands, and 11.5 million acres of wildlife habitat were created, restored, enhanced or managed on these lands. Many of these practices were applied in areas adjacent to or near communities.

Farmers and ranchers are changing their business practices and diversifying their operations to take advantage of markets created by urbanizing communities. Many farmers work to become part of the community by adding pick-your-own fields and farm produce stands and they help educate their non-farm neighbors by holding farm field days and public tours. Some options for farmers and ranchers living near non-farm communities are identified in the NRCS publication, " Alternative Enterprises and Agritourism, Farming for Profit and Sustainability."

INTERNATIONAL INVOLVEMENT

Ms. Kaptur: When you last appeared before us two years ago, we discussed the international involvement of NRCS. Have there been any additional projects that were undertaken since 2000?

Response: In addition to the reimbursable assistance NRCS provided to the U.S. Agency for International Development's (USAID) emergency watershed reconstruction efforts in Central America and the Caribbean that resulted from the devastation wrought by Hurricanes Mitch and Georges, there have been several other projects. Some examples include:

When hostilities between Eritrea and Ethiopia recently subsided, NRCS engineers resumed their technical assistance to the Eritrean Ministry of Agriculture's (MOA) Small Dam Program through funding from USAID. NRCS engineers have developed model irrigation and water management systems at the MOA's agricultural research station.

At the request of the Foreign Agricultural Service/International Cooperation and Development, the USDA agency that coordinates all international technical assistance activities for the Department, NRCS has proposed plans for technical assistance work that could be carried out during the reconstruction phase in Afghanistan. NRCS previously had

resident teams in Afghanistan, Pakistan, Nepal, and India under USAID auspices.

Ms. Kaptur: You have been involved when the Agency for International Development may have provided an opportunity. What have you specifically done with AID in the last two years? For example, I have been told that the historic temples at Luxor, Egypt are deteriorating due to excessive irrigation in the area– irrigation that may have been provided with the assistance of AID. Does AID call on you for your technical expertise in matters such as these.

Response: The Agency for International Development (AID) is the primary source of funding for technical assistance provided by NRCS. Since 1961, the Foreign Agricultural Service/International Cooperation and Development has had an agreement with AID whereby agencies of USDA, including NRCS, are called upon to provide technical assistance to AID projects around the world. During the past two years, NRCS provided long- and short-term technical assistance– two on resident assignments in Nicaragua and 119 on short-term assignments in Nicaragua, Honduras, El Salvador, Dominican Republic, Eritrea, and Nigeria.

Although NRCS has not been involved in providing assistance in Luxor, Egypt, the agency provided leadership to the Irrigation Management Systems Project– a major water management initiative to improve irrigated agriculture along the Nile River.

Ms. Kaptur: What involvement have you had with university-affiliated international programs in the past two years?

Response: We have not carried out any reimbursable technical assistance programs with universities, but would be willing to do so if asked by the Cooperative State Research Education, and Extension Service, the USDA agency responsible for working with the universities on international development efforts. However, we have on occasion worked with the universities in providing opportunities for international visitors that they have sponsored to view various activities of NRCS. Additionally, on a very limited basis, university officials have participated in joint scientific and technical exchange programs with NRCS that are carried out by the FAS/ICD Scientific Cooperative Research Program.

Ms. Kaptur: To what extent, if any, have you worked with the U.S. Army Corps of Engineers?

Response: At the request of the Corps of Engineers, NRCS developed a watershed training proposal for joint activity with the Corps in Mozambique. If the project were funded, NRCS would acquaint water resource personnel in Mozambique with the Small Watershed and Emergency Watershed Programs carried out by NRCS. Additionally, NRCS personnel stationed in Nicaragua interfaced periodically with the Corps to develop plans of work for watershed reconstruction efforts in Nicaragua.

THE ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

Mr. Farr: As you know the main intent of EQIP was to direct conservation funding to priority areas in each state to solve identified resource concerns in each area. EQIP requires that producers submit applications for 5-year contracts up to $50,000 each to solve these identified concerns. Each application is ranked according to the ranking criteria established by the local working group. The highest ranked applications are then approved after NRCS has developed a comprehensive conservation plan containing the necessary conservation practices to address each concern.

The program spends considerable time on ranking and plan development. However, during the life of these 5-year contracts plans are continually revised, as economics ad growers need change.

Response: Planning is a continuous process that helps producers make appropriate decisions based on whatever information is currently available. The EQIP program encourages, but does not require a full comprehensive plan and does not require a plan for the entire farm. EQIP's guidance is to address the priority resource concern for a tract of land. The 1996 legislation requires that EQIP contacts will be not less that 5 years in length.

Mr. Farr: Would it not be more responsive to farmer and rancher conservation needs to go to 1-3 year contracts to provide more realistic options to address their conservation concerns?

Response: Due to economic situations, some producers do not feel they can make a five-year commitment. The legislation proposed by the Senate provides for 3 to 10 year contracts. Progressive planning should adequately address this concern.

Mr. Farr: Is there a high rate of conservation practice performance or are these scheduled practices not completed each year due to economic, changing farming operations, or canceling of contracts?

Response: Conservation practice performance is consistent with past programs. As of the end of FY2001, there were $38 million worth of canceled conservation practices for many reasons from death, health, drought, wildfires, and the economy. The legislation proposed by the Senate allows funds released from canceled contracts to be reused. The 1996 legislation did not allow canceled funds to be reused.

Mr. Farr: Some farmers cannot apply for EQIP since they are not in an approved geographic priority area or their concerns are not identified as a natural resource concern in the State.

Response: Every farmer is eligible to participate in EQIP, however, the State Technical Committee advises NRCS and FSA how the limited EQIP funds are to be prioritized. Since EQIP can only fund 1 of every 4 applications, farms where there are no priority resource concerns have a lower priority for funding.

Mr. Farr: How can EQIP be modified to address the resource needs of these farmers?

Response: More funds so that more priority resource concerns can be addressed.

Mr. Farr: EQIP emphasizes long range planning and targets Geographic Priority Areas or watersheds in which identified resource problems will be eventually solved.

Response: The 1996 EQIP legislation emphasizes priority setting and targeting to address identified resource concerns.

Mr. Farr: After five years of EQIP funding, is there a high rate of GPA completion and are there other new geographic areas then approved?

Response: There is a continual change in new Geographic Priority Areas (GPA) and completed GPA's.

Mr. Farr: What proportion of EQIP funding is going toward conservation practices utilized by fruit and vegetable growers?

Response: This information is not currently captured. Funds are focused by each state to priority resource issues. If those issues are related to fruit and vegetable producers, they will get a majority of the funds.

Mr. Farr: Is this disproportionate to other crops?

Response: If the funds are being directed to the identified priority resource concerns, the objectives of the 1996 EQIP legislation are being addressed.

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Natural Resources Conservation Service
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NATURAL RESOURCES CONSERVATION SERVICE

Purpose Statement

The Natural Resources Conservation Service (NRCS) was established pursuant to Public Law 103-354, the Department of Agriculture Reorganization Act of 1994, (7 U.S.C. 6962). The mission of NRCS is to provide national leadership in a partnership effort to help people conserve, improve, and sustain the Nation's natural resources and environment.

NRCS technical experts help land managers and communities take a comprehensive approach in planning the use and protection of soil, water, and related resources on private and non-Federal lands, in rural, suburban, urban, and developing areas. NRCS assistance to individual landowners is provided through conservation districts, which are units of local government created by State law. NRCS works in partnership with the State conservation agency and other State and local agencies such as resource conservation and development councils and locally elected farmer committees, Federal agencies, Tribal governments, and private sector organizations.

Agency activities help to sustain agricultural productivity and provide broader benefits such as cleaner, safer, and more dependable water supplies; reduced damages caused by floods and other natural disasters; and an enhanced natural resource base to support continued economic development and recreation.

NRCS helps people to achieve these outcomes through activities conducted under the following programs of the Department of Agriculture.

Conservation Operations is authorized by the Soil Conservation and Domestic Allotment Act of 1935, P.L. 74-46 (16 U.S.C. 590a-590f) and the Soil and Water Resources Conservation Act of 1977, (16 U.S.C. 2001-2009). The purpose of the program is to sustain agricultural productivity and protect and enhance the natural resource base. Activities include:

1. Conservation Technical Assistance (CTA). The purpose of this program is to assist land-users, communities, units of State and local government, Tribes, and other Federal agencies in planning and implementing conservation systems to: reduce erosion; improve soil and water quality; improve and conserve wetlands; enhance fish and wildlife habitat; improve air quality; improve pasture and range condition; reduce upstream flooding; and improve woodlands.

   Objectives of the program are to:
   - Assist individual land-users, communities, conservation districts, and other units of State and local government and Federal agencies to meet their goals for resource stewardship and assist individuals to comply with State and local requirements. NRCS assistance to individuals is provided through conservation districts in accordance with the Mutual Agreement signed by the Secretary of Agriculture, the governor of the State, and the conservation district. Assistance is provided to land-users voluntarily applying conservation and to those who must comply with local or State laws and regulations.
   - Assist agricultural producers to comply with the highly erodible land (HEL) and wetland (Swampbuster) provisions of the 1985 Food Security Act as amended by the Food, Agriculture, Conservation and Trade Act of 1990 (16 U.S.C. 3801 et. seq.) and the Federal Agriculture Improvement and Reform Act of 1996 and wetlands requirements of Section 404 of the Clean Water Act. NRCS makes HEL and wetland determinations and helps land-users develop and implement conservation plans to comply with the law.
   - Provide technical assistance to participants in USDA cost-share and conservation incentive programs. (Assistance is funded on a reimbursable basis from the CCC.)
   - Collect, analyze, interpret, display, and disseminate information about the condition and trends of the Nation's soil and other natural resources so that people can make good decisions about resource use and about public policies for resource conservation.

- Develop effective science-based technologies for natural resource assessment, management, and conservation.

2. Soil Surveys. The purpose of the program is to help people understand soils. Soil surveys provide the public with local information on the capabilities and conservation treatment needs of their soil. Soil surveys are based on scientific analysis and classification of the soils. The soil survey for a county or designated area includes maps and interpretations with explanatory information; it is the foundation of resource planning by land-users and for policy making for Federal, State, county, and local community programs. The surveys are conducted cooperatively with other Federal agencies, land grant universities, State agencies, and local units of government.

   The major objectives of the program are to:
   - Provide a basic inventory of soil information for the entire country, produced according to consistent standards and procedures.
   - Provide soils information to the public.
   - Provide technical services to help people use soils information.

3. Snow Surveys and Water Supply Forecasts. The purpose of the program is to provide western States and Alaska with information on future water supplies. NRCS field staff collect and analyze data on depth and water equivalent of the snowpack at more than 1,200 mountain sites and estimate annual water availability, spring runoff, and summer streamflows. These forecasts are used by individuals, Tribes, organizations, and State and Federal agencies for decisions relating to agricultural production, fish and wildlife management, municipal and industrial water supply, urban development, flood control, recreation power generation, and water quality management. The National Weather Service includes the forecasts in their river forecasting function.

   The objectives of the program are to:
   - Provide water users with accurate forecasts of surface water supply within the first 5 working days of each month, January - June.
   - Efficiently obtain, manage, and disseminate high quality information on snow, water, climate, and hydrologic conditions.
   - Develop and apply new technology to meet changing needs of water users.

4. Plant Material Centers. The purpose of the program is to evaluate the potential of native plants to solve natural resource problems. Beneficial uses for which plant material may be developed include biomass production, carbon sequestration, erosion reduction, wetland restoration, water quality improvement, streambank and riparian area protection, coastal dune stabilization, and other special conservation treatment needs. Scientists at the centers seek out plants that show promise for meeting an identified conservation need and test their performance. After species are proven, they are released to the private sector for commercial production. The work at the 26 centers is carried out cooperatively with State and Federal agencies, universities, Tribes, commercial businesses, and seed and nursery associations.

Watershed Surveys and Planning authorized by the Watershed and Flood Prevention Act, P.L. 83-566, August 4, 1954, (16 U.S.C. 1001-1008). Prior to fiscal year 1996, small watershed planning activities and the cooperative river basin surveys and investigations authorized by Section 6 of the Act were operated as separate programs. The 1996 appropriations act combined the activities into a single program entitled the Watershed Surveys and Planning program. Activities under both programs are continuing under this authority.

The purpose of the program is to assist Federal, State, and local agencies and Tribal governments to protect watersheds from damage caused by erosion, floodwater, and sediment and to conserve and develop water and land resources. Resource concerns addressed by the program include water quality, opportunities for water conservation, wetland and water storage capacity, agricultural drought problems, rural development,

municipal and industrial water needs, upstream flood damages, and water needs for fish, wildlife, and forest-based industries.

Types of surveys and plans include watershed plans, river basin surveys and studies, flood hazard analyses, and flood plain management assistance. The focus of these plans is to identify solutions that use land treatment and nonstructural measures to solve resource problems.

Watershed and Flood Prevention Operations. Activities under this program include:

Watershed Operations authorized by P.L. 78-534, the Flood Control Act of 1944 (33 U.S.C. 701b-1), and

Small Watersheds authorized by P.L. 83-566, as amended, (16 U.S.C. 1001-1008).

The purpose of these programs is to cooperate with State and local agencies, Tribal governments, and other Federal agencies to prevent damages caused by erosion, floodwater, and sediment and to further the conservation, development, utilization, and disposal of water and the conservation and utilization of land.

The P.L. 566 program is available nationwide to protect and improve watersheds up to 250,000 acres in size. Currently, there are approximately 515 active small watershed projects throughout the country. PL-534 is available only in 11 areas authorized by Congress; the areas cover about 35 million acres in 11 States.

The objectives of the programs are to assist local sponsors in assessing conditions in their watershed, developing solutions to their problems, and installing necessary measures to alleviate the problems. Measures may include land treatment and structural and nonstructural measures. Federal cost sharing for installation of the measures is available. The amount depends upon the purposes of the project. Loans are available to help finance the local share of the cost.

Rural and urban residents, working through local organizations, such as county or municipal governments, soil and water conservation districts, not-for-profit organizations, or Tribal governments, initiate a project by requesting assistance to solve a problem that is important to them. State agencies review and approve local proposals and may provide financial and other assistance.

Emergency Operations authorized by Section 216, P.L. 81-516, (33 U.S.C. 701b-1) and Sections 403-405, P.L. 95-334, (16 U.S.C. 2203-2205). The purpose of the Emergency Watershed Protection (EWP) program is to reduce hazards to life and property in watersheds damaged by severe natural events. An emergency is considered to exist when a watershed is suddenly impaired by flood, fire, drought, or other natural causes that results in life and property being endangered by flooding, erosion, sediment discharge or other associated hazards. The emergency area need not be declared a national disaster area to be eligible for assistance. During the past 8 years, the program has been used in an average of 26 States per year.

Objectives of the program are to provide technical and financial assistance for disaster cleanup and subsequent rebuilding; stream corridor, wetland and riparian area restoration; and for urban planning and site location assistance to FEMA when relocating communities out of floodplains. Local people are generally employed on a short-term basis to assist with disaster recovery. Activities include establishing quick vegetative cover on denuded land, sloping steep land, and eroding banks; opening dangerously restricted channels; repairing diversions and levees; purchasing flood plain easements; and other emergency work.

Watershed Rehabilitation Program is authorized under section 14 of the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended by section 313 of Public Law 106-472, November 9,

2000. The purpose of this program is to assist communities in addressing public health and safety concerns and environmental impacts of aging dams. Technical and financial assistance is provided for the planning, design, and implementation of rehabilitation projects that may include upgrading or removing the dams. The program may provide 65 percent of the total cost of the rehabilitation projects, however, federal funds cannot be used for operation and maintenance activities. Rehabilitation also provides opportunities for communities to gain new benefits, such as adding municipal and irrigation water supplies, recreation, and wetland and wildlife enhancement

Forestry Incentives Program (FIP) is authorized under the Cooperative Forestry Assistance Act of 1978 (P.L. 95-313), as amended by Title XII of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624), as amended by the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act). The 1996 Act extended the program through the year 2002. The purpose of the program is to increase production of sawtimber and pulpwood on nonindustrial private forest lands; to decrease, over time, expected shortages and rising prices of timber; and to help ensure effective use of available forest lands. The objective is to provide cost-share and technical assistance to landowners to encourage voluntary installation of forestry practices. The program shares up to 65 percent of the cost incurred by the landowner for tree planting and timberstand improvement.

Resource Conservation and Development Program (RC&D) is authorized by Section 102 of the Food and Agriculture Act of 1962 (P.L. 87-703), (7 U.S.C. 1010-1011) and Sections 1528-1538 of the Agriculture and Food Act of 1981 (P.L. 97-98). The 1996 Act extended the program through the year 2002. The purpose of the program is to improve the capability of State and local units of government and local nonprofit organizations in rural areas to plan, develop, and carry out programs for resource conservation and development. RC&D plans may address land conservation, water management, community development, or other elements including energy conservation, protection of agricultural land, or protection of fish and wildlife habitat.

RC&D is initiated and directed at the local level by volunteers. A RC&D area encompasses multiple communities, various units of government, Tribes, municipalities, and grassroots organizations. The program serves as a catalyst for these civic groups to share knowledge and resources in a collective attempt to solve common problems facing their region. RC&D councils obtain assistance from the private sector, Tribes, corporations, foundations, and all levels of government. As of September 30, 2001, a total of 348 RC&D areas have been authorized covering 2,489 counties across the country.

Wetlands Reserve Program (WRP) is authorized under Section 1237 of the Food Security Act of 1985, as added under Title XIV, Section 1438, of the 1990 Food, Agriculture, Conservation and Trade Act, and amended under the Omnibus Budget Reconciliation Act of 1993 and the 1996 Act. The 1996 Act re-authorized the funding of WRP through the Commodity Credit Corporation (CCC) beginning in FY 1997. The WRP is one component of the Environmental Conservation Acreage Reserve Program (ECARP), which also includes the Conservation Reserve Program (CRP) and the Environmental Quality Incentives Program (EQIP).

The purpose of the WRP is to preserve, protect, and restore valuable wetlands. Wetland protection will improve wildlife and migratory bird habitat, improve water quality, and provide flood water retention, ground water recharge, open space, and aesthetic values.

The FY 2001 Agriculture Appropriations Act extended the authority to enroll up to 1,075,000 acres. The objective of the program is to enroll these acres in a balance of permanent easements, 30-year easements, and voluntary restoration agreements by the end of calendar year 2002. NRCS enters into easement contracts with landowners who operate farmed or converted wetlands, farmed wetlands, or prior converted wetlands and adjoining land in CRP or riparian corridors. NRCS and the Fish and Wildlife Service provide technical assistance.

Environmental Quality Incentives Program (EQIP) was established by the 1996 Act. EQIP brings the functions of the Agricultural Conservation Program (ACP), the Water Quality Incentives Program (WQIP), the Great Plains Conservation Program (GPCP), and the Colorado River Basin Salinity Control Program (CRSC) into a single program. EQIP is a component of ECARP.

The purpose of the program is to achieve solutions to local community concerns related to farms, ranches, and rural lands. The objective of the program is to provide technical and financial assistance to farmers and ranchers who face the most serious threats to soil, water, and related natural resources, assisting them to make changes in cropping systems; grazing management; manure, nutrient, pest, or irrigation management; land use, or other measures needed to conserve soil, water, and related natural resources. Technical assistance, cost-share payments, incentive payments, and education are provided to producers who enter into 5- to 10-year contracts based on conservation plans. At least 50 percent of funding must be targeted to practices relating to livestock production.

NRCS, with concurrence from the Farm Service Agency (FSA), establishes policies, priorities, and guidelines for the program and provides technical leadership and technical and financial assistance. Conservation districts and FSA county committees share responsibility for local implementation. State Technical Committees, which include membership of the FSA State committee, offer advice on criteria and priorities at the State level. FSA provides administrative support for contracting, payment reporting, and financial matters.

Farmland Protection Program (FPP) is authorized by Section 388 of Title III of the 1996 Act. The purpose of the program is to protect soil by limiting nonagricultural use of prime and unique farmland. The objective is to purchase conservation easements or other interests of prime and unique farmland. To be eligible, land must be subject to a pending offer from a State or local government. A conservation plan must be developed for any highly erodible cropland for which an easement or other interest is purchased. The plan may require that the land be converted to less intensive use. A total of $35 million was authorized by the 1996 Act. All of these funds had been obligated by the end of FY 1998. However, the Agriculture Risk Protection Act of 2000 authorized $10 million for FPP and the Secretary authorized additional funding per section 107 of the Omnibus Consolidated Appropriations Act for 2001.

Wildlife Habitat Incentives Program (WHIP) is authorized by Section 387 of Title III of the 1996 Act. The purpose of the program is to develop habitat for upland wildlife, wetlands wildlife, threatened and endangered species, fish, and other types of wildlife. Objectives of the program are to provide technical, educational, and financial assistance to eligible farmers and ranchers to address protection of wetlands, wildlife habitat, and related concerns on their lands. While a total of $50 million was made available for fiscal years 1996 through 2002 from funds available to carry out the Conservation Reserve Program these funds have been exhausted. However, section 211(b) of the Agriculture Risk Protection Act of 2000 and section 820 of the 2001 Agriculture Appropriations Act authorized additional funding for WHIP in FY 2001.

Soil and Water Conservation Assistance Program (SWCA) was authorized by the Agriculture Risk Protection Act of 2000 (ARPA (P.L. 106-224)) for fiscal year 2001 only. The program addressed threats to soil, water, and related natural resources in areas not designated as national conservation priority areas. These voluntary efforts provide proven soil and water conservation practices on farms and ranches with an emphasis on conserving water or improving water quality. The program provided cost-share and incentive payments to farmers and ranchers.

Agricultural Management Assistance Program (AMA) is authorized by the Agriculture Risk Protection Act of 2000 (ARPA (P.L. 106-224)). The program provides cost-share assistance to producers to construct or improve water management structures or irrigation structures; plant trees for windbreaks or improve water quality; and mitigate crop failure risks through production diversification or resource conservation practices, including soil erosion control, integrated pest management, or transition to organic farming. AMA also provides cost-share assistance to producers to enter into futures, hedging, or options contracts in

a manner designed to help reduce production, price, or revenue risk; and enter into agricultural trade options as a hedging transaction to reduce production, price, or revenue risk.

ARPA provides $10 million annually for cost-share assistance in 10-15 States, as determined by the Secretary, in which participation in the Federal Crop Insurance Program is historically low. Financial assistance is provided through the Commodity Credit Corporation (CCC). The 15 states selected by the Secretary to participate in the program are Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

Conservation Farm Option (CFO) is authorized by Section 335 of Title III of the Federal Agriculture Improvement and Reform Act of 1996 as a pilot program for eligible producers of wheat, feed grains, cotton, and rice. The purpose of the program is to address the conservation of soil, water, and related resources; water quality; wetlands; wildlife habitat; and other purposes. Producers who have contract acreage under production flexibility contracts are provided an option of a 10-year contract as a single annual payment equivalent to the amount of the combined payments under CRP, WRP, and EQIP. Authorized funding totals $197.5 million over a 6-year period and increases from $7.5 million in fiscal year 1997 to $62.5 million in fiscal year 2002. Funding is from the CCC and has not been appropriated since fiscal year 1998.

Terminated programs. The 1996 Act directed that the program functions of two NRCS programs and two FSA programs be conducted under authority of the Environmental Quality Incentives Program. The NRCS programs are the Colorado River Basin Salinity Control Program (CRSCP) and the Great Plains Conservation Program (GPCP). The purpose of CRSCP was to reduce the salinity content in the upper Colorado River basin in support of the 1973 International Boundary and Water Commission treaty, to improve water quality delivered to downstream users in the U.S. and Mexico. The purpose of the GPCP was to bring about a long-term solution to natural resource problems in the 10 States comprising the Great Plains region. In addition, the Water Bank Program has not been funded with new appropriations in recent years. The purpose of the program is to preserve and improve migratory waterfowl and wildlife-related resources; conserve surface water and reduce runoff, soil and wind erosion; improve flood control; contribute to improved soil moisture; enhance landscape aesthetics; and promote comprehensive water management planning.

Program Administration As of September 30, 2001, NRCS had staffing levels of 10,958 permanent full-time employees and 851 part-time, intermittent, and other employees. These numbers consist of: 397 full-time employees and 39 other employees located in Headquarters, Washington, D.C.; 366 full-time employees and 29 other employees in offices that provide agency-wide support; 108 full-time employees and 4 other employees in regional offices; and, 10,087 full-time employees and 779 other employees in State offices or below.

Organizational Structure. NRCS is structured as a line and staff organization. The line authority extends from the Chief to the regional conservationist to State conservationist and the Directors of the Pacific Basin and Caribbean Area and to the district conservationist. Line officers provide direct assistance to the public. Staff positions are established to furnish specialized technical or administrative assistance to line officers. There are four organizational levels within NRCS: field offices, State offices, regional offices and national headquarters. NRCS also has a National Science and Technology Consortium that is a network of Headquarters Divisions, National Centers, Institutes and Cooperating Scientists. A brief description of each of these organizational levels principal functions follows.

Field Offices. These are the front-line and primary customer service offices of the agency. Most of the agency's activities are carried out in approximately 3,050 field offices in the 50 States, Puerto Rico, and the Pacific Basin Area serving Guam, the Northern Mariana Islands, and American Samoa. NRCS employees in the field offices provide personalized service to local citizens, helping them to solve or prevent natural resources problems on their land and in their communities. NRCS employees provide information and

technical assistance, that is, they work one-on-one with individual land managers to apply that information to the practical problems of land-users on an individual farm or ranch. NRCS employees in the field offices work side-by-side with employees of the local conservation district and State conservation agency. Field office staff serve as a clearing-house for natural resources information, helping people gain access to knowledge and assistance available from local, State, regional, and national sources. RC&D coordinators provide similar services to local councils representing communities, units of government and other organizations in an area. The delivery system in some States includes area offices, which provide administrative and technical support to a group of field offices and districts.

Other Field Offices. Project offices are established to serve as headquarters for watershed or river basin planning and construction activities. Major Land Resource Area (MLRA) Offices conduct operational soil surveys along MLRA boundaries that cover multi-MLRA regions. Plant Material Centers are established in selected plant growth regions through out the United States. These centers test, select, and release various plants for conservation purposes. Resource Conservation and Development (RC&D) offices are located in designated RC&D areas to provide support and coordinate activities of the RC&D sponsors.

State Offices. A State Conservationist heads the NRCS organization in each of the 50 States. The State Conservationist is responsible for State level program planning and direction, consistency and accountability and administration of a comprehensive soil, water, and related resource conservation program for each State. State offices also have the responsibility for the technical integrity of the NRCS activities; technology transfer and training; marketing of the agency programs and initiatives and administrative operations and processing. State offices have leadership for coordination of partnering with other Federal and State agencies to provide solutions to State resource issues.

Regional Offices. Six regional offices, under the direction of Regional Conservationists, provide: agency leadership, coordination and partnering of solutions to regional resource issues; program planning, and direction, of the States within their region; regional wide strategic planning, performance measurement and operations management; administrative operations support; and coordination of all NRCS activities in the region to address the resource needs of the region.

National Headquarters (NHQ). The Chief, with the assistance of the Associate Chief and Deputy Chiefs assumes the departmental leadership for programs and other activities assigned by the Secretary of Agriculture, through the Under Secretary for Natural Resources and Environment. NHQ functions include: planning, formulation and direction of NRCS programs, budgets, and activities; development of program policy, budgets, procedures, guidelines and standards; leadership and coordination with other agencies, constituent groups and organizations; workload assessment and operations management; conducting oversight and evaluation activities and coordination of corrective actions; and, strategic planning and the development of strategic initiatives.

The framework for national technology development and delivery within the agency is supplied by the National Science and Technology Consortium which is supervised by the national headquarters Deputy Chiefs responsible for science and technology and soil survey and resource assessment. In addition to six national headquarters divisions, the Consortium has seven institutes concerning: grazing lands technology, natural resources inventory and analysis, soil quality, social sciences, watershed science, wetlands science, and wildlife habitat management. There are also seven national centers: cartography and geospatial; design, construction and soil mechanics; plant data; soil survey; water management; agroforestry; and water and climate. Additionally the Consortium has eleven cooperating scientists covering agricultural meteorology, agronomy, rangeland, hydrology and agroforestry. Principle functions of the Consortium are: to provide national policy leadership for agency technical responsibilities, coordinating technical activities among all levels of the agency; to ensure acquisition and development of technology that is relevant to current and future agency needs and priorities and that is responsive to the needs of the field; provide for consistency in development and delivery of technical products and services; and to coordinate networking among the Consortium and academe, non-governmental organizations and the private sector.

Service Center Agency Coordination

Service Center Implementation. USDA has implemented a field office streamlining plan that collocates the county-based agencies (the Natural Resources Conservation Service, the Farm Service Agency, and the Rural Development mission area) in one-stop USDA Service Centers. This co-location effort has resulted in reducing the total number of service center locations from more than 3,700 to about 2,600. The main purpose of co-location is to maximize efficient use of administrative resources and improve customer service. NRCS has moved and/or closed about 655 field office locations since December 1994. NRCS will maintain a presence in about 2,500 of the Service Centers.

Common Computing Environment (CCE). As a result of NRCS' and the other county-based agencies' support, all USDA Service Center agency offices throughout the country now have a common telecommunications platform allowing efficient e-mail, file transfer, and voice communications. Continued investment in the CCE will enable USDA to: optimize the sharing of data, equipment, and staff at the service centers; overcome the extreme limitations of the current legacy systems; and enhance customer service into the 21st Century. Sharing information by the agencies will reduce the duplicative information requests made of program participants, reduce the number of visits customers have to make to service centers, and reduce the workload for staff.

NRCS has sponsored four Business Process Reengineering projects that provide tools to improve customer service at USDA service centers. These projects include: 1) a Customer Service Toolkit, released in May 2000 and deployed nationwide to about 2,000 offices, forming a primary delivery tool for the common computing environment; 2) the Wetlands Toolkit, released in November 2000 and aligned with the deployment of the Customer Service Toolkit; 3) Web application access to resource data of the National Cartographic and Geospatial Center, directly assisting the Customer Service Toolkit; and 4) the Combined Administrative Management System, enabling local level input and online access to personnel information.

For FY 2003, the President's budget provides an increase in service center related information technology of $13 million for NRCS under the CCE account. This funding will cover the following: increased high speed bandwidth connectivity in NRCS field offices; improvement to the current information technology security program; improvements to current data management; support the increased cost of digitizing soil surveys; and, continued development and operation of the service center electronic access initiative. See the explanatory notes of the Service Center Modernization Initiative/Common Computing Environment to more details

Office of the Inspector General (OIG) and General Accounting Office Audits for Fiscal Year 2001

The following audits were closed during the year with all management decisions involving NRCS, if any, resolved.

OIG Number 50601-4-KC. The purpose was to evaluate the effectiveness of the Environmental Quality Incentives Program.

OIG Number 03099-43-KC. The purpose is to evaluate the adequacy of controls designed to ensure compliance with program requirements. No formal recommendations were made.

GAO Number 141434. The purpose was to assess the impact of federal land acquisitions in California. No recommendations were made involving NRCS.

The following audits are continuing.

OIG Number 50801-1-Te.
SUBJECT: Urban Resources Partnership Program (URP)
PURPOSE: Assess the activities associated with Urban Resource Partnership activities
STATUS: The report was completed in November, 2000. Management Decisions are being implemented.

GAO Number 360045.
SUBJECT: USDA Farmbill Programs
PURPOSE: Determine how efficiently and effectively USDA farm bill programs are meeting producer and the public needs.
STATUS: Survey of state conservationists and state technical committee members was completed. The draft was reviewed with NRCS in December and clarification comments provided by NRCS.

GAO/RCED –00-83.
SUBJECT: Accountability
PURPOSE: Assess the effectiveness of the NRCS Accountability System.
STATUS: The report was completed in 2000. Recommendations are in progress in accord with the Statement of Action.

OIG Number 10099-1-Te.
SUBJECT: Security Over NRCS' Information Technology Resources
PURPOSE: Assess the adequacy of IT security measures.
START DATE: April, 2000
STATUS: The auditors' fieldwork is complete and the report drafted. The exit conference was held in December, 2001. The draft report with 21 recommendations was presented. The recommendations contained specific detailed actions to detect and prevent unauthorized entrance into NRCS IT systems. NRCS has concurred in the recommendations and the report is now being finalized.

OIG Number 50099-03-Te.
SUBJECT: National Fish and Wildlife Foundation expenditures.
PURPOSE: Evaluate the agreement procedures used for the National Fish and Wildlife Foundation expenditures.
START DATE: June, 2000.
STATUS: Management decisions have been reached and are being implemented.

OIG Number 10601-4-Te.
SUBJECT: Farmland Protection Program
PURPOSE: Become familiar with the Farmland Protection Program, to identify internal controls, and to test compliance.
STATUS: Field work for the survey is still in progress.

OIG Number 03099-45-KC.
SUBJECT: CREP (Joint Agency with FSA)
PURPOSE: Evaluate the adequacy of controls designed to ensure compliance with program requirements of the Conservation Reserve Enhancement Program.
STATUS: A draft survey report has been prepared.

GAO Number 360111.
SUBJECT: Federal Effort to Restore Salmon in the Columbia River Basin
PURPOSE: Review Federal effort to restore Salmon in the Columbia River Basin.
STATUS: Fieldwork is still in progress.

GAO Number 141434.
SUBJECT: CALFED – Multi-agency
PURPOSE: Assess the impact of federal land acquisitions in California.
STATUS: Fieldwork is completed and a draft report has been prepared. No recommendations were made involving NRCS.

OIG Number 10099-1-SF.
SUBJECT: Arizona EWP
PURPOSE: Assess the uniform adherence to program requirements of the Emergency Watershed Program.
STATUS: Management decisions have been reached and implemented. Formal closure has been requested and is in progress.

OIG Number 10099-8-KC.
SUBJECT: HEL in Kansas
PURPOSE: Assess the uniform adherence to program requirements of Highly Erodible Land provisions.
STATUS: The survey is in progress. Draft report was prepared.

GAO Number 360158
SUBJECT: Alien Invasive Species
PURPOSE: Assess impacts, federal actions, federal coordination, and effectiveness of controls.
STATUS: This is multiple agency review and follows other preliminary reviews

OIG Number 10099-9-Te
SUBJECT: Conservation Programs
PURPOSE: Assess NRCS Conservation Technical Assistance Program.
STATUS: Fieldwork is complete and report has been drafted.

OIG Number 10601-1-Te.
SUBJECT: NRCS National Business Management Center.
STATUS: Closeout will be requested by the end of February.

OIG Number 50601-1-Te.
SUBJECT: Unliquidated obligations.
STATUS: The survey is completed. No further action is required of NRCS.

Natural Resources Conservation Service
Available Funds and Staff-Years
2001 and Estimated, 2002 and 2003

ITEM	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	2003 Estimated Amount	2003 Estimated Staff Years
Conservation Operations	$777,732,618	8,574	$847,148,000	8,594	$897,190,000	9,101
Watershed Surveys & Planning	11,427,000	113	11,572,000	111	---	---
Watershed and Flood Prevention Operations	101,997,226	471	109,499,000	524	---	---
Emergency Watershed Protection	146,531,000	249	1,337,000	---	111,389,000	225
Watershed Rehabilitation Program	---	---	10,000,000	74	---	---
Forestry Incentives	6,311,085	---	6,811,000	---	---	---
Resource Conservation & Develop.	44,657,567	439	50,913,000	503	52,031,000	491
Total, Appropriated Funds	1,088,656,496	9,846	1,037,280,000	9,806	1,060,610,000	9,817
Add Carryover Funds:						
Conservation Operations	10,822,884	---	15,660,110	---	---	---
Wetlands Reserve Program	574,940	2	1,817,015	---	---	---
Watershed and Flood Prevention Operations	2,707,368	---	4,492,538	---	---	---
Emergency Watershed Protection	61,837,687	---	81,209,134	77		
Colorado River Salinity	1,259,434	8	832,144	---	---	---
Water Bank Program	263,900	---	354,008	---	---	---
Forestry Incentives Program	2,775,712	---	1,600,825	---	---	---
Great Plains Conservation Prog.	2,586,728	21	1,662,126	10	---	---
Resource Conservation & Devel.	260,667	---	2,028,750	---	---	---
Transfer from CCC:						
Wildlife Habitat Incentives	13,164,875	31	88,200	---	---	---
Total, Available Funds	1,184,910,691	9,908	1,147,024,850	9,893	1,060,610,000	9,817
Deduct allotments to other agencies:						
Forest Service	-1,046,609	-1	-981,100	-1	-135,000	-1
Net	1,183,864,082	9,907	1,146,043,750	9,892	1,060,475,000	9,816
Obligations under other USDA appropriations[1]:						
Fund for Rural America	3,998,637	6	---	---	---	---
Reimbursements for technical services to:						
Wetlands Reserve Program	14,275,000	173	---	---	---	---
Emergency Conservation Program (FSA)	2,204,151	28	1,000,000	12	---	---
Conservation Reserve Program	23,153,800	318	13,000,000	171	---	---
CCC-Farmland Protection	700,000	8	28,800	---	---	---
CCC-EQIP	37,989,132	514	35,530,000	492	38,000,000	476
CCC-EQIP-Ed. Assistance	32,350	---	---	---	---	---
CCC-Agricultural Mgmt Assist.	1,577,000	20	1,330,000	17	1,900,000	24
CCC-Soil & Water Cons. Assist.	3,800,000	50	---	---	---	---
Retirement/Health Pension Benefit Mandatory	5,597,000	---	5,879,000	---	6,113,000	---
Foreign Details & Assign. (OICD)	147,310	4	150,000	4	150,000	4
Soil Survey (FS)	97,855	2	100,000	2	100,000	2
Accelerate Soil Survey	304,867	3	600,000	6	600,000	6
Snow Survey & Water Forecast	36,400	---	50,000	---	50,000	---
Other planning & application	289,731	5	1,295,700	17	1,295,700	17
PMC Operations	48,280	---	40,000	---	40,000	---

Available Funds and Staff-Years 2001 and Estimated, 2002 and 2003 - Continued

ITEM	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	2003 Estimated Amount	2003 Estimated Staff Years
Reimbursement for other services:						
Facilities: Rent, phone, utilities, etc:	8,340,185:	--:	8,517,800:	--:	8,517,800:	--
Miscellaneous	8,159,677:	12:	7,390,200:	12:	8,318,600:	24
Total, Other USDA Approp.	110,751,375:	1,143:	74,911,500:	733:	65,085,100:	553
Total, Agriculture Appropriations.	1,294,615,457:	11,050:	1,220,955,250:	10,625:	1,125,560,100:	10,369
Obligations under other Federal appropriations:						
Reimbursement for technical services for:						
Soil surveys (Interior)	184,404:	3:	200,000:	3:	200,000:	3
Accelerate Soil Survey	2,317,807:	28:	2,450,000:	30:	2,450,000:	30
Other: planning and application	26,545,754:	75:	6,748,400:	73:	4,053,400:	73
Snow Survey & Water Forecast	93,729:	1:	100,000:	1:	100,000:	1
Plant Materials Center Operations	628,901:	6:	600,000:	6:	600,000:	6
Retirement/Health Pension Benefit	967,000:	--:	1,016,000:	--:	1,057,000:	--
Calfed Fishscreens	141,672:	1:	--:	--:	--:	--
Reimbursement for other services:						
Facilities: Rent, phone, utilities, etc	18,053:	--:	26,000:	--:	26,000:	--
Cartographic job work	17,201:	--:	100,000:	1:	100,000:	1
Financial assistance	13,739,345:	--:	27,802,000:	--:	8,357,000:	--
Miscellaneous	7,638,444:	47:	6,283,700:	50:	5,967,800:	51
Allocation from Other Federal Agencies:						
Rural Abandoned Mine Program (DOI-OSM)	189,099:	--:	175,009:	--:	--:	--
Obligations under non-Federal Funds:						
Reimbursement for technical services for:						
Planning & application	5,372,596:	63:	6,522,900:	58:	5,324,200:	58
Accelerate Soil Surveys	3,420,698:	57:	3,500,000:	56:	3,500,000:	56
Snow Survey & Water Forecasting	130,486:	2:	150,000:	2:	150,000:	2
Plant Material Center Operations	251,770:	1:	260,000:	2:	260,000:	2
Cartographic job work	553:	--:	--:	--:	--:	--
A&E Contracting:	91,375:	--:	172,000:	--:	72,500:	--
Retirement/Health Pension Benefit	807,000:	--:	848,000:	--:	882,000:	--
Reimbursement for other non-Federal services:						
Facilities: Rent, phone, utilities, etc	731,645:	5:	889,000:	5:	789,400:	5
Proceeds of sales	435,878:	--:	563,100:	--:	530,200:	--
Financial Assistance	7,149,226:	--:	7,363,000:	--:	1,910,000:	--
Miscellaneous	7,940,852:	94:	8,926,400:	97:	7,937,400:	98
Trust funds:						
Small Watershed & RC&D projects and soil surveys	659,565:	10:	1,022,657:	1:	270,000:	1
Total Reimbursements and Other Funds	190,224,428:	1,536:	150,629,666:	1,118:	109,622,000:	940
Total, NRCS	$1,374,088,510:	11,443:	$1,296,673,416:	11,010:	$1,170,097,000:	10,756

1/ Funding shows amounts actually used or anticipated to be needed.

NATURAL RESOURCES CONSERVATION SERVICE

Permanent Positions by Grade and Staff-Year Summary

2001 and Estimated 2002 and 2003

Grade	2001 Head-qtrs	2001 Field	2001 Total	2002 Head-qtrs	2002 Field	2002 Total	2003 Head-qtrs	2003 Field	2003 Total
Executive Level V	1	0	1	1	0	1	1	0	1
ES-6	1	0	1	1	0	1	1	0	1
ES-5	7	0	7	8	0	8	8	0	8
ES-4	5	5	10	6	6	12	6	6	12
ES-3	4	2	6	2	0	2	2	0	2
ES-2	2	0	2	2	1	3	2	1	3
ES-1	5	2	7	5	2	7	5	2	7
GS-15	83	72	155	78	69	147	76	67	143
GS-14	99	200	299	92	191	283	90	186	276
GS-13	71	545	616	67	520	587	64	508	572
GS-12	26	2,746	2,772	24	2,619	2,643	23	2,560	2,583
GS-11	21	2,854	2,875	20	2,721	2,741	20	2,659	2,679
GS-10	1	28	29	1	27	28	1	26	27
GS-9	44	1,355	1,399	40	1,292	1,332	39	1,263	1,302
GS-8	15	492	507	14	469	483	14	459	473
GS-7	15	1,287	1,302	14	1,228	1,242	14	1,200	1,214
GS-6	3	438	441	3	418	421	3	408	411
GS-5	3	361	364	3	344	347	3	336	339
GS-4	1	197	198	1	188	189	1	184	185
GS-3	1	67	68	1	64	65	1	62	63
GS-2	0	14	14	0	13	13	0	13	13
GS-1	0	1	1	0	1	1	0	1	1
Other Graded Positions	0	0	0	0	0	0	0	0	0
Ungraded Positions	0	12	12	0	12	12	0	12	12
Total Permanent Positions	408	10,678	11,086	383	10,185	10,568	374	9,953	10,327
Unfilled Positions end-of-year	-11	-117	-128	0	0	0	0	0	0
Total, Permanent Employment, end-of-year	397	10,561	10,958	383	10,185	10,568	374	9,953	10,327
Staff-Year Ceiling	417	11,026	11,443	393	10,617	11,010	383	10,373	10,756

NATURAL RESOURCES CONSERVATION SERVICE
CLASSIFICATION BY OBJECTS
2001 and Estimated 2002 and 2003

Personnel Compensation:		2001	2002	2003
Washington, D.C.		$30,507,000	$31,780,000	$32,251,000
Field		470,152,000	489,768,000	497,036,000
11	Total personnel compensation	500,659,000	521,548,000	529,287,000
12	Personnel benefits	187,607,000	198,615,000	204,178,000
13	Benefits for former personnel	120,000	120,000	128,000
	Total pers. comp. & benefits	688,386,000	720,283,000	733,593,000
Other Objects:				
21	Travel	16,733,000	17,025,000	16,632,000
22	Transportation of things	3,132,000	3,250,000	3,143,000
23.1	Standard Level User Charges	17,587,000	18,289,000	18,289,000
23.2	Rental payments to others	13,465,000	13,945,000	13,736,000
23.3	Communications, utilities, and misc. charges	23,386,000	23,739,000	23,924,000
24	Printing and reproduction	3,687,000	3,870,000	3,593,000
25.1	Advisory and assistance services	--	385,000	75,000
25.2	Other services	112,580,000	151,211,000	118,492,000
25.2	Construction contracts	75,235,000	69,129,000	47,549,000
26	Supplies and materials	19,418,000	19,615,000	19,597,000
31	Equipment	18,706,000	23,673,000	21,156,000
32	Land and structures	32,622,000	4,642,000	16,000
41	Grants	97,036,000	76,567,000	40,659,000
42	Insurance and loans	333,000	344,000	374,000
43	Interest and dividends	37,000	33,000	38,000
44	Refunds	--	--	--
	Total other objects	433,957,000	425,717,000	327,273,000
Total, direct obligations		$1,122,343,000	$1,146,000,000	$1,060,866,000
Position Data:				
Average Salary, ES positions		$129,838	$135,054	$137,688
Average Salary, GS positions		$54,497	$56,377	$57,477
Average Grade, GS positions		10.3	10.3	10.2

NATURAL RESOURCES CONSERVATION SERVICE

Passenger Motor Vehicles

Passenger motor vehicles of the Natural Resources Conservation Service (NRCS) are distributed among 50 State Offices, Puerto Rico and Guam, area offices, 6 regional offices, and various technical specialists located at field headquarters. None of these vehicles are used in Washington, D.C. Vehicles are used in rural and other areas where common carrier facilities are non-existent, uneconomical, or inadequate. The nature of the travel requires a high degree of mobility with frequent stops at field offices, job sites, and other places not serviced by common carrier. Resident technicians servicing farmers and ranchers in conservation districts use pickup trucks rather than passenger vehicles.

Passenger motor vehicles are generally assigned to an office location and not exclusively to one individual. This allows several employees to rely on the use of a single vehicle, thus maximizing utilization, and minimizing the number of vehicles needed.

On September 30, 2001, the NRCS had 1,610 passenger vehicles in a total fleet of 8,108 vehicles. The fleet includes pickup trucks, light trucks, jeeps, and heavy trucks.

Replacement of Passenger Motor Vehicles. The FY 2003 estimates provide for the replacement of 150 passenger motor vehicles during the fiscal year. The vehicles proposed for replacements have been driven more than 60,000 miles or are more than 6 years of age or would be beyond economic repair due to accident or other causes.

NRCS is continuing a sound and effective replacement program. Industry standards and experience indicate that it is economical to operate vehicles beyond the minimum standards set forth in FPMR 101-38.4. Therefore, NRCS has implemented new policy for the replacement of motor vehicles. Vehicles may be driven as long as they remain safe and reliable. Vehicles must be inspected annually and offices are required to submit certification to the national headquarters that vehicles in use are safe and reliable. Vehicles that are unsafe will be grounded until replacement vehicles are received.

Age data for NRCS passenger motor vehicles on hand September 30, 2001, are as follows:

ESTIMATED AGE DATA			ESTIMATED MILEAGE DATE		
Model	Number of Vehicles	Percent of Total	Lifetime Mileage (thousands)	Number of Vehicles	Percent of Total
1996 and older	1,046	65	80-100	637	40.0
1997	97	6	60-80	382	24.0
1998	129	8	40-60	286	18.0
1999	193	12	20-40	207	13.0
2000	64	4	Under 20	80	5.0
2001	81	5	Total	1,592	100.0
TOTAL	1,610	100.0			

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Conservation Operations

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), 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, [$779,000,000] $897,190,000 to remain available until expended (7 U.S.C. 2209b) of which not less than [$8,515,000] $9,162,000 is for snow survey and water forecasting and not less than [$9,849,000] $10,701,000 is for operation and establishment of the plant materials centers, and of which not less than $21,500,000 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 this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $25,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e-2).

NATURAL RESOURCES CONSERVATION SERVICE

Conservation Operations Program

Appropriations Act, 2002 [a/]	$779,000,000
Budget Estimate, 2003	897,190,000
Increase in Appropriation	+118,190,000

Adjustments in 2002:		
Appropriations Act, 2002	$779,000,000	
Transfer in Estimates for Retirement/Health Pension Benefits a/	49,859,000	
Activities transferred from Rental Payments To GSA account b/	18,289,000	
Adjusted base for 2002		847,148,000
Budget Estimate 2003		897,190,000
Increase over adjusted 2002		+50,042,000

a/ Estimates for Retirement/Health Pension Benefits are included in the budgets of agencies as a one time shift of funds. On a comparable basis the full annual cost of the activity is $56,227,000 for 2003.

b/ Rental Payments to GSA are included in the budgets of agencies occupying GSA space as a one-time shift of funds. On a comparable basis the full annual cost of the activity is $18,289,000 for 2003.

Summary of Increases and Decreases
(On basis of adjusted appropriation)

Item of Change	2002 Estimated	Pay Costs	Other Changes	2003 Estimated
Conservation Technical Assistance	$719,170,000	+$16,602,000	+$29,936,000	$765,708,000
American Heritage Rivers	204,000	--	--	204,000
Grazing Lands Conservation Initiative	21,500,00	--	--	21,500,000
Soil Survey	86,970,000	+1,923,000	+1,022,000	89,915,000
Snow Survey and Water Supply Forecasting	8,937,000	+125,000	+100,000	9,162,000
Plant Materials Centers	10,367,000	+214,000	+120,000	10,701,000
Total Available	$847,148,000	+$18,864,000	+$31,178,000	$897,190,000

Project Statement
(On basis of adjusted appropriation)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
Conservation Operations:							
Conservation Tech. Assist.	$660,174,183	7,274	$719,170,000	7,255	+$46,538,000 (1)	$765,708,000	7,797
American Heritage Rivers	204,000	2	204,000	2	--	204,000	2
Urban Resources Partner.	15,000	--	--	--		--	--
Grazing Lands Conservation Initiative	18,000,000	213	21,500,000	241	--	21,500,000	241
Soil Surveys	83,362,689	914	86,970,000	933	+2,945,000(2)	89,915,000	907
Snow Survey and Water Supply Forecasting	6,379,822	60	8,937,000	64	+225,000(3)	9,162,000	59
Plant Materials Centers	9,596,924	111	10,367,000	99	+334,000(4)	10,701,000	95
Total available or Est.	777,732,618	8,574	847,148,000	8,594	+$50,042,000	$897,190,000	9,101
Transfer from Rental Payments to GSA	-17,587,000	--	-18,289,000	--			
Retirement/Health Pension Benefits	-47,453,000	--	-49,859,000	--			
Transfer from Congress. Relations	-147,674	--	a/	--			
Rescission	+1,571,056	--	--	--			
Total appropriation	$714,116,000	8,574	$779,000,000	8,594			

a/ Amount to be determined by the Assistant Secretary for Congressional Relations.

Project Statement
(On basis of adjusted available funds)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 estimated Amount	2003 estimated Staff Years
Conservation Operations:							
Conservation Tech. Assist.	$672,794,702	7,274	$732,097,735	7,255	+$33,610,265	$765,708,000	7,797
American Heritage Rivers	204,000	2	204,000	2	--	204,000	2
Urban Resources Partner.	15,000	--	--	--	--	--	--
Grazing Lands Conservation Initiative	18,000,000	213	21,500,000	241		21,500,000	241
Soil Surveys	83,974,464	914	88,927,882	933	+987,118	89,915,000	907
Snow Survey and Water Supply Forecasting	6,370,175	60	9,417,803	64	-255,803	9,162,000	59
Plant Materials Centers	9,701,375	111	10,660,690	99	+40,310	10,701,000	95
Total direct obligations	791,059,716	8,574	862,808,110	8,594	+34,381,890	897,190,000	9,101
Transfer from Rental Payments to GSA	(-17,587,000)	--	(-18,289,000)	--	(+18,289,000)	--	--
Retirement/Health Pension Benefits	(-47,453,000)	--	(-49,859,000)	--	(+49,859,000)	--	--
Unobligated balance brought forward	(-10,882,884)	(--)	(-15,660,110)	(--)	(+15,660,110)	--	--
Prior Year Recoveries	(-18,104,324)	(--)	(--)	(--)	(--)	--	--
Unobligated balance carried forward	(+15,660,110)	(--)	(--)	(--)	(--)	--	--
Adjusted Appropriation	(712,692,618)	8,574	(779,000,000)	8,594	(+118,190,000)	(897,190,000)	9,101

(On basis of adjusted available funds -continued)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 estimated Amount	2003 estimated Staff Years
Reimbursable obligations:							
Conservation Tech. Assist	154,930,698:	1,359:	110,476,000:	956:	-13,933,000:	96,543,000:	812
Soil Surveys	7,898,098:	107:	8,942,000:	107:	+18,000:	8,960,000:	107
Snow Survey & Water Supply Forecasting	348,615:	3:	510,000:	3:	+1,000:	511,000:	3
Plant Materials Centers	1,378,525:	12:	2,037,000:	12:	+1,000:	2,038,000:	12
Total Reimbursable Oblig.	164,555,936:	1,481:	121,965,000:	1,078:	-13,913,000:	108,052,000:	934
Total obligational auth.	$955,615,652:	10,055:	$984,773,110:	9,672:	+$20,468,890:	$1,005,242,000:	10,035

SOURCES OF REIMBURSEMENTS

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimate Amount	2002 Estimate Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
Within USDA:							
OICD/FAS	$147,310:	4:	$150,000:	4:	--:	$150,000:	4
CCC (EQIP)	37,989,132:	514:	35,530,000:	492:	+$2,470,000:	38,000,000:	476
CCC (CRP) 1/	23,153,800:	318:	13,000,000:	171:	-13,000,000:	--:	--
CCC (WRP) 1/	14,275,000:	173:	--:	--:	--:	--:	--
CCC (FPP) 1/	700,000:	8:	29,000:	--:	-29,000:	--:	--
CCC (AMA) 1/	1,577,000:	20:	1,330,000:	17:	+570,000:	1,900,000:	24
CCC (SWCA) 1/	3,800,000:	50:	--:	--:	--:	--:	--
Other Federal	63,747,667:	123:	53,748,000:	123:	-4,997,500:	48,750,500:	145
Non-Federal:							
States & Counties for Soil Surveys	3,420,698:	59:	3,500,000:	59:	--:	3,500,000:	59
Other	15,744,329:	212:	14,678,000:	212:	+1,073,500:	15,751,500:	226
Total reimbursement..	$164,555,936:	1,481:	$121,965,000:	1,078:	-$13,913,000:	$108,052,000:	934

1/ Funding and staff years are amounts actually used or anticipated to be needed.

OUTLAYS

	2001 Actual	2002 Estimated	Increase or Decrease	2003 Estimated
Technical Assistance	$648,073,339:	$789,425,000:	-$357,000:	789,068,000
Soil Surveys	81,359,040:	90,239,000:	-943,000:	89,296,000
Snow Survey and Water Forecasting..	6,286,060:	9,348,000:	-349,000:	8,999,000
Plant Materials Centers	9,310,742:	11,177,000:	-690,000:	10,487,000
Total Outlays	$745,029,181:	$900,189,000:	-$2,339,000:	$897,850,000

Justification of Increases and Decreases

(1) A net increase of $46,538,000 for the Conservation Technical Assistance program consisting of:

(a) An increase of $48,000,000 and 524 staff years for the technical assistance, to the extent practicable, in support of Animal Feeding Operations. In particular, this will assist landowners affected by clean water regulations.

(b) An increase of $6,368,000 for a total FY 2003 need of $56,227,000 for Employee Pension and Annuitant Health Benefits of which $6,023,000 is for Conservation Technical Assistance.

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(c) An increase of $500,000 and 5 staff years for the President's Climate Change Technology Initiative.

In FY 2003, the Administration will institute a new Climate Change Research Initiative (CCRI), a set of programs involving several Federal agencies with a strong focus toward outcomes and deliverables. Working on the North American Carbon Cycle, USDA will meet with its partner agencies (NOAA, NSF, DOE, and NASA) to plan the FY 2003 program, and report to the Office of Management and Budget and Office of Science and Technology Policy. The $500,000 increase will be used to evaluate and pilot test the current inventories of carbon biomass collected through the Forest Service's Forest Inventory Analysis and the NRCS' National Resources Inventory to include BLM lands and non-forested areas.

(d) An increase of $189,000 for Federal Employees Compensation Act (FECA) program administrative surcharge.

The FY 2003 Budget will include language in the General Provisions of the Treasury-Postal Appropriations bill to permit the Department of Labor to add an administrative surcharge to the amount it charges each agency for its FECA benefits.

(e) An increase of $16,602,000 for Conservation Technical Assistance pay costs which includes $5,984,000 for annualization of the fiscal year 2002 pay raise and $10,618,000 for the anticipated fiscal year 2003 pay raise.

NRCS has absorbed pay raises and inflation several times in past years and available funds for conservation technical assistance are at minimal levels. Further absorption is not feasible without reduction in staff of approximately 183 FTE that would result in 66,000 fewer customers and 1 million less acres receiving technical assistance. The increased pay cost funds would be used to pay the anticipated increase in salaries and benefits for the 8,040 FTE requested in FY 2003 and would support all goals and objectives contained in the NRCS strategic plan.

Funds would also be shifted from Congressional earmarked projects to maintain staffing levels needed to handle critical conservation problems addressed through Conservation Technical Assistance.

(f) An increase of $2,928,000 for anticipated increase of 1.8 percent increase in non-salary support costs associated with program operations in fiscal year 2001.

These funds are needed for the uncontrollable increased operating costs for the conservation technical assistance program in fiscal year 2003. Absorbing these costs would reduce NRCS

staffing by approximately 32 FTE or 0.43 percent. NRCS has absorbed this increase several times in past years, and funds available for program support are at a critical level. Further absorption is not feasible without a reduction in staff.

(g) An increase of $3,120,000 for contributions to the Federal Employees Retirement System (FERS).

Absorption of increased FERS costs would reduce NRCS staffing by approximately 34 FTE or 0.46 percent. NRCS has absorbed this increase several times in the past years, and funds available are at a critical level. Further absorption is not feasible without a reduction in staff.

(h) A decrease of $30,824,000 and 341 staff years due to administrative efficiencies. For example, the Department will review out sourcing opportunities and business and administrative processes in the Service Center agencies and develop plans to restructure or re-engineer them as appropriate.

(2) An increase of $2,945,000 for Soil Surveys consisting of:

(a) An increase of $6,368,000 for a total FY 2003 need of $56,227,000 for Employee Pension and Annuitant Health Benefits of which $283,000 is for Soil Surveys.

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(b) An increase of $1,923,000 for Soil Surveys for pay costs which includes $693,000 for annualization of the fiscal year 2002 pay raise and $1,230,000 for the anticipated fiscal year 2003 pay raise.

This increase supports achieving the strategic plan objective to insure timely science based information and technologies. Absorption of pay costs in FY 2003 is not feasible with reduction in staff of approximately 27 FTE that would result in delays in publishing important survey information and 719,000 acres not mapped. The increased pay cost funds would be used to pay the anticipated increased salaries and benefits cost for the 907 FTE funded in Soil Survey in the FY 2002 budget request.

(c) An increase of $375,000 for anticipated increase of 1.8 percent increase in non-salary support costs associated with program operations in fiscal year 2001.

These funds are needed for the uncontrollable increased operating costs for the conservation technical assistance program in fiscal year 2003. Absorbing these costs would reduce NRCS staffing by approximately 4 FTE or 0.43 percent. NRCS has absorbed this increase several times in past years, and funds available for program support are at a critical level. Further absorption is not feasible.

(d) An increase of $364,000 for contributions to the Federal Employees Retirement System (FERS).

Absorption of increased FERS costs would reduce NRCS staffing by approximately 3.9 FTE or 0.4 percent. NRCS has absorbed this increase several times in the past years, and funds available are at a critical level. Further absorption is not feasible.

(3) An increase of $225 for Snow Surveys and Water Supply Forecasting consisting of:

(a) An increase of $6,368,000 for a total FY 2003 need of $56,227,000 for Employee Pension and Annuitant Health Benefits of which $33,000 is for Snow Surveys and Water Supply Forecasting.

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(b) An increase of $125,000 for pay costs which includes $45,000 for annualization of the fiscal year 2002 pay raise and $80,000 for the anticipated fiscal year 2003 pay raise.

This increase supports achieving the strategic plan goal to reduce risk from drought and flooding. Absorption of pay costs in FY 2003 would reduce NRCS staffing by approximately 1.2 FTE or 1.9 percent below the FY 2002 level. NRCS has absorbed this increase several times in the past years, and available funds are at a critical level. Further absorption is not feasible. The increased pay cost funds would be used to pay the anticipated increased salaries and benefits cost for the 59 FTE funded in Snow Surveys and Water Supply Forecasting in the FY 2002 budget request.

(c) An increase of $44,000 for anticipated increase of 1.8 percent increase in non-salary support costs associated with program operations in fiscal year 2001.

These funds are needed for the uncontrollable increased operating costs for the conservation technical assistance program in fiscal year 2003. Absorbing these costs would reduce NRCS staffing by approximately 0.4 FTE or 0.7 percent. NRCS has absorbed this increase several times in past years, and funds available for program support are at a critical level. Further absorption is not feasible.

(d) An increase of $23,000 for contributions to the Federal Employees Retirement System (FERS).

Absorption of increased FERS costs would reduce NRCS staffing by approximately 0.2 FTE or 0.3 percent. NRCS has absorbed this increase several times in the past years, and funds available are at a critical level. Further absorption is not feasible.

(4) An increase of $334,000 for the Plant Materials Center program consisting of:

(a) An increase of $6,368,000 for a total FY 2003 need of $56,227,000 for Employee Pension and Annuitant Health Benefits of which $29,000 is for Plant Materials Center program.

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(b) An increase of $214,000 for pay costs which includes $77,000 for annualization of the fiscal year 2002 pay raise and $137,000 for the anticipated fiscal year 2003 pay raise.

This increase supports achieving the strategic plan objective of insuring timely science based information and technologies. Absorption of pay costs in FY 2003 would reduce NRCS staffing by approximately 3.4 FTE or 2.6 percent below the FY 2002 level. NRCS has absorbed this increase several times in the past years, and available funds are at a critical level. Further absorption is not feasible. The increased pay cost funds would be used to pay the increased salaries and benefits cost for the 95 FTE funded in Plant Materials Program in the FY 2002 budget request.

(c) An increase of $51,000 for anticipated increase of 1.8 percent increase in non-salary support costs associated with program operations in fiscal year 2001.

These funds are needed for the uncontrollable increased operating costs for the conservation technical assistance program in fiscal year 2003. Absorbing these costs would reduce NRCS staffing by approximately 0.6 FTE or 0.5 percent. NRCS has absorbed this increase several times in past years, and funds available for program support are at a critical level. Further absorption is not feasible.

(d) An increase of $40,000 for contributions to the Federal Employees Retirement System (FERS).

Absorption of increased FERS costs would reduce NRCS staffing by approximately 0.5 FTE or 0.4 percent. NRCS has absorbed this increase several times in the past years, and funds available are at a critical level. Further absorption is not feasible.

Natural Resources Conservation Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
2001 and Estimated 2002 and 2003
CONSERVATION OPERATIONS

	2001		2002		2003	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
ALABAMA	$14,092,416	167	$15,456,523	172	$16,462,500	184
ALASKA	7,015,475	33	7,499,111	33	7,987,200	35
ARIZONA	7,837,070	83	8,133,715	81	8,663,100	87
ARKANSAS	15,175,255	168	14,849,802	155	15,816,300	168
CALIFORNIA	21,427,633	217	21,388,133	204	22,780,100	219
COLORADO	19,032,611	222	19,735,996	217	21,020,500	233
CONNECTICUT	3,248,695	36	3,413,600	36	3,635,800	38
DELAWARE	3,273,501	27	3,362,540	26	3,581,400	28
FLORIDA	16,678,878	124	17,056,011	119	18,166,000	127
GEORGIA	16,505,600	187	16,704,417	178	17,791,600	190
HAWAII	5,153,024	50	5,435,583	50	5,789,300	53
IDAHO	11,351,378	136	12,673,800	143	13,498,600	153
ILLINOIS	17,278,143	216	18,584,832	219	19,794,400	235
INDIANA	14,885,892	182	16,460,200	189	17,531,500	203
IOWA	24,083,421	292	26,949,320	308	28,703,200	330
KANSAS	25,562,150	327	26,040,564	314	27,735,300	336
KENTUCKY	15,789,616	200	18,312,879	218	19,504,700	234
LOUISIANA	11,615,434	141	12,334,700	141	13,137,500	151
MAINE	4,663,346	55	4,800,200	53	5,112,600	57
MARYLAND	6,931,743	77	8,116,620	85	8,644,900	91
MASSACHUSETTS	3,945,018	46	4,305,078	47	4,585,300	50
MICHIGAN	13,252,768	148	12,991,300	137	13,836,800	148
MINNESOTA	15,889,038	199	17,040,340	201	18,149,400	216
MISSISSIPPI	21,068,977	239	24,255,235	259	25,833,800	278
MISSOURI	25,257,130	325	25,021,400	303	26,649,800	326
MONTANA	20,384,480	242	20,218,111	226	21,533,900	243
NEBRASKA	19,331,809	248	20,032,441	242	21,336,200	260
NEVADA	4,659,721	52	5,041,950	53	5,370,100	57
NEW HAMPSHIRE	3,067,118	35	3,137,400	34	3,341,600	36
NEW JERSEY	4,769,099	52	5,679,400	58	6,049,000	62
NEW MEXICO	11,668,333	126	10,276,086	104	10,944,900	113
NEW YORK	12,874,616	128	14,240,126	133	15,166,900	142
NORTH CAROLINA	11,789,183	140	13,486,509	151	14,364,200	161
NORTH DAKOTA	16,147,207	203	16,814,852	199	17,909,200	213
OHIO	15,485,764	170	17,066,912	176	18,177,700	188
OKLAHOMA	17,543,669	200	19,262,676	207	20,516,300	221
OREGON	11,293,194	130	12,765,950	138	13,596,800	147
PACIFIC BASIN	2,088,744	21	2,793,653	26	2,975,500	28
PENNSYLVANIA	11,858,690	149	12,350,000	146	13,153,800	156
PUERTO RICO	4,353,097	54	4,062,000	47	4,326,400	50
RHODE ISLAND	853,757	9	1,154,100	11	1,229,200	12
SOUTH CAROLINA	9,526,546	104	9,917,929	102	10,563,400	109
SOUTH DAKOTA	14,343,661	161	14,001,235	148	14,912,500	158
TENNESSEE	15,241,854	173	15,018,725	160	15,996,200	173
TEXAS	46,251,942	535	49,986,601	546	53,239,800	583
UTAH	7,732,161	86	8,248,000	86	8,784,800	92

	2000		2001		2002	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
VERMONT	4,269,124	43	4,319,498	41	4,600,600	44
VIRGINIA	12,274,100	146	12,051,976	135	12,836,300	146
WASHINGTON	13,578,751	159	13,487,319	149	14,365,100	159
WEST VIRGINIA	11,340,484	126	11,667,159	122	12,426,500	130
WISCONSIN	17,657,305	207	21,116,663	233	22,491,000	249
WYOMING	9,164,465	104	9,912,704	106	10,557,800	113
NATIONAL HDQTR	53,784,894	342	69,183,900	338	73,686,200	356
CNTRS/INSTITUTES	54,120,908	425	51,302,200	419	54,641,000	425
EAST REGION	2,031,755	21	2,015,200	20	2,146,400	20
MIDWEST REGION	2,273,315	18	2,167,300	15	2,308,400	15
NO. PLAINS REGION	1,851,870	15	2,265,500	17	2,412,900	18
SOUTHEAST REGION	2,098,685	19	1,870,200	16	1,991,900	16
SO. CENTRAL REGION	2,189,405	18	2,308,200	18	2,458,400	19
WEST REGION	2,145,798	16	2,222,800	16	2,367,500	17
UNDISTRIBUTED	--	--	20,440,936	68	--	--
Total Obligations/Estimate	$791,059,716	8,574	$862,808,110	8,594	$897,190,000	9,101

NATURAL RESOURCES CONSERVATION SERVICE
CONSERVATION OPERATIONS

STATUS OF PROGRAM

The Natural Resources Conservation Service (NRCS) is a technical agency of the United States Department of Agriculture (USDA). The agency was established by Public Law 103-354, the Department of Agriculture Reorganization Act of 1994, (7 U.S.C. 6962). The Conservation Operations account was established pursuant to Public Law 74-46, to carry out a continuing program of soil and water conservation on the private lands of the Nation.

The Conservation Operations program is the principal program through which the agency delivers technical assistance to farmers, ranchers, and rural communities to protect soil, water, and related natural resources on America's private lands. It also supports the development of technical standards and the natural resource data that underpins that technical assistance.

The mission of the agency is to provide leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment. The NRCS strategic plan for 2000-2005 establishes overall direction for the agency including mission, goals, and objectives. The four strategic goals are:

- Enhance natural resources productivity to enable a strong agricultural and natural resource sector.
- Reduce unintended adverse effects of natural resource development and use to ensure a high quality environment.
- Reduce risks from drought and flooding to protect individual and community health and safety.
- Deliver high quality services to the public to enable natural resource stewardship.

The strategic plan established measurable long-term performance targets for each goal and objective. NRCS's accountability system tracks progress of each field office toward meeting those goals. It also provides information on progress, costs, reimbursements, and outlays data by program to agency leadership through a new Enterprise Information System.

Planning and Application Assistance: Since 1935, NRCS (and predecessor agency, the Soil Conservation Service) has provided private landowners, private land users, and local communities with essential technical assistance in helping solve soil erosion and related natural resource problems through the Conservation Operations account. NRCS has been able to do this by having an infrastructure of highly trained, professional employees who are able to "read the land" in order to determine conservation problems and develop viable solutions. As of September 30, 2001, NRCS had about 11,000 employees nationwide. These employees consist of a wide range of technical specialists, including but not limited to engineers, resource economists, foresters, agronomist, soil scientists, plant scientists, who provide conservation technical assistance to about 2.4 million private landowners and communities annually. NRCS technical employees help landowners solve natural resource problems. Their knowledge of resource conditions, and their ability to integrate scientific principles and techniques to work with people locally make these employees a unique Federal asset in the delivery of effective solutions for natural resources problems throughout the country. In FY 2001, NRCS re-emphasized the importance of the field delivery system and directed all available resources to the delivery of conservation on the ground.

Technology Development, Maintenance, and Transfer: To develop reliable recommendations at the local level for soil, water, and related resource problems, NRCS employees use manuals, handbooks, technical guides, and other science-based technology developed by NRCS. The agency has developed, documented and distributed a wide array of technical standards, specifications, models, and maps pertaining to conservation practices and water management systems. These tools have been adopted worldwide for purposes ranging from basic home gardening to complex engineering products. Because these were public goods and, therefore, not copyrighted, many private businesses copy, alter, and sell the

technology for profit. Other public entities, such as conservation districts and universities, use NRCS technology for business or educational purposes.

Farmers and Ranchers Give High Marks for Conservation Assistance: Farmers and ranchers are extremely satisfied with Conservation Technical Assistance (CTA) received from Natural Resource Conservation Service field employees, according to the results of a recent American Customer Satisfaction Index survey, conducted by the University of Michigan. Program participants rated overall satisfaction at 81 out of a possible 100 points--10 points higher than Americans rate private sector services and 12 points higher than the average index for federal government services. On the index of trust, NRCS received an even higher score of 90. According to those conducting the survey, NRCS's customer satisfaction rating is comparable to private sector services such as Mercedes Benz and Ritz Carlton.

Historically, the Conservation Operations account has been divided into four sub-appropriation items: Conservation Technical Assistance (CTA); Soil Surveys; Snow Survey and Water Supply Forecasting; and Operation of Plant Materials Centers.

CONSERVATION TECHNICAL ASSISTANCE

Current Activities: Agriculture and the quality of America's soil and water resources are vital to the Nation's welfare. About 77 percent (1.5 billion acres) of the United States is non-Federal land. About 90 percent of these acres are cropland, rangeland, pastureland, and private non-industrial forestland. The care of these lands is in the hands of millions of individuals. NRCS partners with private land managers (including primarily farmers and ranchers), conservation districts, state and local conservation agencies, tribal governments, rural communities; businesses and others to get conservation on the land that helps to conserve the landscape, increase agricultural productivity, improve the environment, and strengthen the quality of life.

Impacts on the natural resources of this country are coming from many sources including:

- The conservation agenda continues to expand as a result of greater scientific understanding as well as an increasing number of policy actions, Federal, State, and local laws and policies on environmental quality, that place new requirements on landowners and landusers.
- Growth and prosperity in non-agricultural sectors of the economy have been dominant forces in expansion of developed areas with significant impacts to our nation's natural resources.
- Weather extremes such as drought, flooding, hurricanes, and wildfires continue to cause substantial damage to soil, water, and other natural resources. Conservation technical planning assistance to producers helps lessen or alleviate the impacts of major climatic events.

Societal and natural resource changes have increased the demand for NRCS conservation technical assistance (CTA) resulting in the:

- Fostering of new technologies and conservation practices to address emerging challenges such as nutrient management for animal feeding operations to improve water quality.
- Design of conservation systems to reduce the risk of climatic events, for example, improved irrigation management to mitigate effects of drought.
- Increase in public and local awareness and concern for our natural resources has also broadened the agency's customer base as it addresses new types of agriculture enterprise such as aquaculture, sustainable and organic farming.
- Growing list of new customers (including Tribal governments, local communities and non-government organizations) who request NRCS expertise and assistance.
- Improvement and establishment of wetlands and wildlife habitat to address declining populations of fish and wildlife.
- Increased foundation and pre-program support for CCC funded farm bill programs, i.e. EQIP, CRP.

CTA Accomplishments on the Land: In FY 2001, NRCS provided assistance to nearly 2.4 million customers. CTA supports some portion of all the technical assistance provided to customers, either directly or through development of technical tools.

The technical assistance provided to these landusers enabled them to plan and apply conservation systems that protect and enhance cropland and grazing lands. A total of 9.6 million acres of cropland and 11.3 million acres of grazing land were treated to the resource management system level (sustainable management). On 3.5 million acres of cropland that had been eroding at excessive rates, NRCS technical assistance enabled farmers to reduce erosion to the tolerable rate or less, thus preserving the productive capacity of the soil. Because applying conservation systems that fully protect the resource base is a complex process that takes more than one year to complete, NRCS also provided assistance on other lands that will not be reported as fully protected until later years. Overall, NRCS provided planning assistance on more than 31.4 million acres of land in all uses and application assistance on more than 28.6 million acres.

NRCS assisted producers to plan and apply systems to protect water quality against agricultural nonpoint sources of pollution and to better manage water supplies. Conservation systems to address water quantity concerns were applied on 8.6 million acres. Nutrient management systems were applied on 5.4 million acres and 10,521 waste management systems were planned and installed. Improved irrigation water management was applied on 1.2 million acres and buffers were applied on 524,343 acres. All of these activities were supported by CTA, either directly or indirectly; in some cases, funds from other programs were also utilized.

Partnerships Leverage Additional Conservation: CTA provides the primary means and resources for the Federal government to participate as an active partner on private lands with local soil and water conservation districts, State governments and other conservation organizations in formulating and implementing an integrated conservation program. Through this partnership, the Federal government leverages additional staff resources to further national soil and water conservation goals. Approximately 8,700 state agency and conservation district personnel assist the NRCS field staff in jointly working to assist 1.7 million customers on individual sites. By working together, the members of the partnership are ensuring that the conservation goals of the landowner, local government, state agencies, and national interests are all achieved.

Approximately 74 percent of the NRCS workforce is located below the State office level, where emphasis is placed on addressing the needs of private landowners and communities through a locally led priority setting process. The major workload component at the local level consists of developing, implementing, and maintaining conservation plans on individual farms and ranches and implementing assigned USDA conservation programs on a voluntary basis with private landowners. These plans and programs enhance natural resource protection and meet the requirements of laws and regulations in a manner tailored to each individual operation.

In addition, the base level of the CTA program:

- Allows partnerships and coalitions to leverage USDA resources
- Develops and shares new information and technology
- Provides follow-up contact for maintenance of existing systems
- Collects and interprets resource data
- Encourages innovation
- Monitors and evaluates program results
- Responds to natural disasters
- Assists local conservation districts, tribes, communities and resource conservation and development councils.

In order to develop and implement conservation plans on private lands, NRCS works with farmers, ranchers, and landowners that invest their time and money for enhanced natural resource protection on their land and water. These plans result in public benefits including overall improved quality of life from

reduced soil erosion and sedimentation, improved water quality, improved grazing management, restored or protected wetlands, improved animal waste management, reduced nutrient and pesticide loading, and increased wildlife habitat while maintaining a productive nation and economic stability.

Some of the NRCS workforce is assigned to institutes, centers, state, and regional offices. These staff members are an integral part of the support system for CTA at the local level. Technical specialists such as engineers, agronomists, biologists, soil scientists, economists, and others assist the local NRCS service provider and enhance the level of expertise that is available to all NRCS customers by developing and transferring new technology and standards such as ecological site and forage suitability, phosphorus indexes, virtual fences, stream restoration and buffer technology. These scientists ensure that NRCS applies sound scientific principles to CTA activities.

Specifically, support by technical specialists for the local CTA staff is provided through:

- Research, interpretation, and the development of easy-to-use technical information including technical standards, references, soils information, resource inventory information, and the Field Office Technical Guide (FOTG) for internal and external use. External users include farmers, ranchers, agricultural consultants, contractors, partners, organizations, and local, state and Federal agencies.
- Development of natural resource training programs and materials.
- Establishment of test projects to implement, monitor, and evaluate new technology, programs, or initiatives prior to nationwide implementation.
- Communication of institutional knowledge and expertise.

Critical Conservation Objectives Supported: Through CTA, NRCS provides technical assistance to help meet key federal objectives, including:

Highly Erodible Cropland Land Conservation Compliance: Participants in USDA programs subject to highly erodible land (HEL) compliance are required to protect their fields by implementing a conservation plan or system that provides for a substantial reduction in soil erosion or, if the field has been broken out of native vegetation, the conservation plan or system can permit no substantial increase in soil erosion. There are approximately 110 million acres classified by the agency as being highly erodible land (HEL). This represents approximately 30 percent of the nation's total of 380.5 million acres of cropland.

In the past year, NRCS provided assistance to USDA program participants to maintain or revise existing systems, modify systems to accommodate changes in crops or production methods, field test new tillage and technology, and improve their systems to provide a greater degree of environmental protection than the previous system. Farmers, with NRCS technical assistance, have made significant progress in reducing erosion according to the 1997 National Resources Inventory Data on erosion in relation to "T" or soil loss tolerance values:

<=T	>T<=2T	>2T<=3T	>3T<=4T	>4T<=5T	>5T
83.1%	9.4%	3.4%	1.6%	0.9%	1.6%

NRCS also conducts status reviews to determine if conservation plans are in place on HEL and wetland land subject to compliance regulations. During the past year, less than 2 percent of the tracts randomly selected for status review were found to be out of compliance with the HEL provisions. Violations were primarily found in the Midwest and the Northern Plains. This equated to approximately 291 tracts and 63,525 acres in violation during the 2001 crop year. Status reviews conducted indicated that those tracts found to be in compliance by NRCS, revealed that USDA participants are applying systems that are providing greater soil loss reductions and protection than required by the law.

NRCS provides technical HEL determinations for programs authorized under Subtitle D, Subchapters A through C, 16 U.S.C. 3830 *et seq.*, for the purposes of land eligibility determinations.

Grazing LandsConservation: NRCS provides technical assistance to land users in planning and implementing conservation practices that improve soil, water, and related resources on grazing lands. There are many uses and values that make them extremely important, not only to the landowner, but also to the entire nation. Society benefits from an available supply of food and fiber; clean air, healthy wildlife populations and habitat; improved fisheries and aquatic systems; and healthy riparian areas. Benefits from reduced soil erosion, reduced potential for flooding, and less sediment in streams and reservoirs include opportunities for improved nutrient management from land application of manure; control of invasive species; and economic and social stability of grazing land enterprises and rural communities that depend on them. The plant cover on grazing land sequesters millions of tons of carbon, thus reducing atmospheric carbon dioxide, also, properly managed cover can reduce the impact of drought. Through conservation planning efforts and management approaches, grazing land health can be improved.

Private lands devoted to grazing use are estimated at more than 630 million acres and constitute over 40 percent of the total acreage of agricultural land in the United States. This land has significant impacts on the environment and the national economy. Based on the 1992 National Resources Inventory, 35 percent of grazing lands are adequately treated.

NRCS provided assistance to nearly 28,000 producers impacting over 18 million acres of private grazing land. This assistance provides conservation technical assistance on a voluntary basis to owners and managers of private grazing land for improved grazing land health. Improved grazing land health provides many benefits to the landowners as well as to society.

The agency continues to support the Grazing Land Conservation Initiative (GLCI), a private coalition of producer groups and environmental organizations dedicated to the protection and improvement of private grazing lands. The coalition supports voluntary technical assistance to private grazing land owners and managers to help them recognize conservation problems when they arise and receive sound technical assistance to improve or conserve their natural resources. In FY 2001, $18 million was provided in NRCS' budget to support GLCI activities. These funds were used to provide technical assistance, training, and demonstrations for private grazing land users that ultimately improve the health of grazing land. Many of the GLCI efforts are focused on demonstrating grass-based dairying opportunities, benefits of various grazing management systems, and assisting in development of training and school curriculum highlighting grazing lands technology and management.

NRCS is using the Nutrition Balance Analyzer to help resource managers make effective decisions about nutrition management of their livestock. NRCS provides this assistance to approximately 1,000 producers annually. It is estimated that managers are saving from $10 to $32 per animal by improving their production efficiency from this new technology. The benefits from this technology include: 1) greater understanding of the impact of management decisions on the nutritional well-being of the animals; 2) more efficient use of nutrients to mediate deficiencies; 3) improved animal performance (conception and weaning weights); 4) reduced costs of production; 5) more efficient use of their grazing land; and, 6) greater awareness of the role of conservation in meeting the nutritional needs of their animals in a more environmentally friendly manner. Improvements to the Grazing Land Application (GLA) program continues to be a resource tool to help implement management systems on grazing lands. NRCS is leading an effort to develop ecological site descriptions on grazing lands throughout the country. An ecological site is defined as "a distinctive kind of land with specific physical characteristics that differs from other kinds of land in its ability to produce a distinctive kind and amount of vegetation." The descriptions will provide decision-makers vital information concerning the interaction among soils, vegetation, and land management. The ecological site descriptions will also provide information concerning products, uses, and values of each specific site. Ecological site descriptions will assist land managers in making timely and well informed management decisions impacting this nation's grazing land resources. These technical assistance activities and tools make it possible to record and analyze vast amounts of information to determine the economic and environmental benefits of various conservation practices on grazing lands.

Clean Water Activities: NRCS has focused agency effort to address key water quality issues such as the potential environmental risks posed by animal feeding operations (AFO), and impairment of water resources from nutrients, sediments, and pesticides, among others. In addition, NRCS has been providing leadership for Department efforts to improve coordination with the U.S. Environmental Protection Agency in areas of mutual interest related to water quality. Specifically, in 2001, NRCS focused on the following:

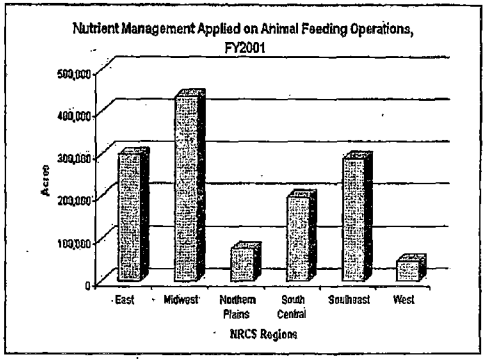
A. Animal Feeding Operations: The potential public and environmental health risks posed by animal feeding operations (AFOs) are prominent public policy issues. Two areas of particular concern are: 1) nonpoint source pollution of the Nation's water resources from AFOs, and 2) the inadequacy of traditional land-based manure nutrient management strategies as livestock operations surpass the capacity of the land to assimilate manure nutrients in some geographic areas. The aggregate effect of odors and gaseous emissions from land application of manure, manure handling, decomposition of dead animals, and, to some extent, from wet feed pose nuisance and potential public health concerns. In March 1999, the "USDA/EPA Unified National Strategy on Animal Feeding Operations" was issued, which established a national expectation that all AFO's will plan and be implementing comprehensive nutrient management plans (CNMP) by 2009.

   Livestock and poultry waste management is a complex task that must address the control of the amount or volume of waste generated as well as the proper methods for handling, storage, and beneficial reuse of the material. In addition to the ongoing technical and financial assistance that NRCS provides to AFO owners and operators, the Agency develops and maintains the technical standards and guidance that are used by its staff, other government agencies, and private vendors/consultants to assist AFO's to manage manure nutrients and associated emissions and effluents in an environmentally sound manner. NRCS also approves sources that establish certification programs for private vendors/consultants that meet minimum technical criteria comparable to those required of NRCS technical staff. Beginning in FY2002, NRCS will be providing technical services to AFO owners and operators to help them to develop and implement CNMPs that meet their environmental and production objectives.

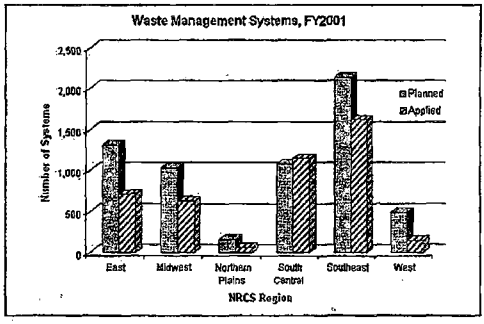
CNMP's include six core elements that are considered in plan development--nutrient management, waste storage and handling, land treatment, record keeping, feed management, and alternative utilization opportunities. A typical AFO will receive the following CNMP technical assistance through a combination of field visits and supporting office work: environmental and natural resource assessment, soils information, evaluation of manure utilization requirements, development of manure and nutrient management plans, design preparations, survey and layout of conservation practices, quality control during construction and implementation of practices, operation and maintenance information, follow-up activities, and revision and fine-tuning of plans and practices, as needed. The plan usually involves a combination of structural and management practices that are influenced by animal diets, physiographic features of the landscape, weather patterns, animal numbers, community issues, local, state Tribal, and Federal regulations, and available technology.

Selected Accomplishments in FY2001:

- 1.3 million acres of nutrient management to ensure that livestock and poultry manure was applied at rates designed to maximize plant uptake and minimize potential for nutrient losses to air and water resources.



- 11,500 waste management systems planned or installed that included all necessary components for managing liquid and solid waste, including runoff from concentrated waste areas, in a manner that does not degrade air, soil, or water resources.



In addition to providing technical and financial assistance to AFO owners and operators for nutrient management and waste management systems, NRCS also invested efforts to ensure that agency and partner field staff would be prepared to deliver CNMP technical services to AFO owners and operators beginning October 1, 2001. Key accomplishments during FY2001 included:

- CNMP Technical Guidance was completed and issued in December 2000. The guidance is supported by the conservation planning process and NRCS technical references, handbooks, and policy directives. The technical guidance was developed during 1999 and 2000, and includes public comment and input through a 120-day public comment period.
- Five regional CNMP training workshops reaching over 250 State level policy and technical staffs were conducted between February and March 2001.
- States implemented revised nutrient management standards (NRCS Conservation Practice Standard 590) by May 2001. Five States receiving time extensions will implement their revised standard by December 2001.

- Twenty-nine conservation practice standards were developed or revised to reflect current science and implementation knowledge.
- "Nutrient and Pest Management Considerations in Conservation Planning" and "Agricultural Waste Systems - Primer and Level II" courses were updated and released nationwide and over 2,000 individuals completed the courses.
- Revised conservation planning policy in May 2001 to include guidance on minimum criteria to achieve an NRCS certified conservation planner designation and minimum standards for providers of conservation technical assistance associated with CNMPs.
- Six public forums were conducted in order to gather public perspectives on the role, capacity, and capability of private sector vendors in providing technical services to help accelerate assistance to AFO owners and operators to develop and implement CNMPs (July 2001).
- In September 2001, NRCS retained an expert in animal nutrition from Purdue University on 6-month assignment to help develop the agency's technical and informational resources to include considerations for feed management in development and implementation of CNMPs.
- Continued work on four innovative manure management projects authorized by the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act of Fiscal Year 2001 (PL 106-387, October 26, 2000), which appropriated $5.0 million for pilot projects to demonstrate innovative treatment technologies. The projects, two in North Carolina to treat swine waste and two in the Okeechobee Basin area in Florida to treat dairy waste, are to result in a 75 percent reduction in the nutrient content of wastewater discharged.

B. Coordination with Groups Interested in Clean Water: NRCS works directly with many groups and organizations, both in the public and private sector, on a variety of clean water activities. NRCS conservation liaison positions are established in some U.S. Environmental Protection Agency regional offices to provide agricultural perspectives and conservation support for nonpoint source pollution reduction activities. A number of similar positions are established at the State level in association with State conservation and water quality agencies.

C. Clean Water Successes: The agricultural and rural communities, through partnerships, technical assistance, and voluntary incentive-based approaches, have been responsive to the growing national concern over degradation of our Nation's waters from nonpoint sources of pollution. Successful approaches occur throughout the country, highlighted by the following examples:

- **The Duck Creek Watershed** project (Alaska) is nationally recognized for demonstrating effective partnerships and non-regulatory approaches to improve water quality. Located in Juneau, Alaska, Duck Creek provides a valuable resource for residents of the community. Used for recreation and aquatic education, the small stream also provides open space and serves an important role in stormwater and flood control. The stream supports a large overwintering population of coho salmon juveniles, which migrate from nearby estuarine wetlands each Fall. Land development altered Duck Creek, making it a wider, shallower and slower stream, endangering the fish habitat. Through the locally led community planning process, NRCS joined with residents, private business, and numerous state and federal agencies to help develop a plan for restoring the stream. The watershed approach focused on management and restoration of the stream to reconfigure the stream channel, remove sediment and increase dissolved oxygen levels. A stormwater treatment marsh was created to improve water quality. Streambank revegetation and channel improvement projects were established. These and other efforts have improved the habitat for the coho salmon while earning recognition as a National Showcase Watershed, a Coastal America National Partnership Award, and the CF Industries National Watershed Award.

- In the **Choccolocco Creek Watershed** (Alabama), a partnership between NRCS, the Choccolocco Creek Watershed Conservancy District, and Honeywell Industries has demonstrated how private industry and units of government can team up to benefit the environment. Choccolocco Creek, which winds through Oxford, has long been the focus of conservation work by local, state, and federal governments. Upstream development had stripped away riparian vegetation, causing

excessive streambank erosion. NRCS worked with the watershed partnership to plant willow trees along the streambanks to help stabilize them and trap sediment.

- The **Ugum Watershed** on Guam was selected as a priority watershed for restoration by the Water Planning Committee made up of representatives from NRCS and 13 other interested agencies and organizations. The watershed provides 4 million gallons of water a day to southern Guam residents. In June 2000, restoration began in the southern portion of the Ugum watershed where 50 acres of acacia seedlings were planted and erosion control fabric was installed on badlands within the area. The NRCS Barrigada Field Office provided technical assistance, including mapping the soil resources of the area, flagging proposed planting areas, assisting in the layout of the erosion control fabrics, and providing seeding recommendations for the fabrics. Conversion of the Ugum Watershed grasslands to less flammable vegetation and stabilizing the badland areas produces many benefits. It reduces annual grass fires, decreases loss of native species, reduces runoff, reduces erosion, and increases water retention. The effort contributed to protecting the drinking water quality for Guam residents as well as increasing public awareness of the importance of watershed function and its direct relationship to drinking water quantity and quality.

- The **Silver Spring Brook Watershed Project** (Maine) also demonstrates the success that can be achieved through partnering in small watershed resource problems. Public drinking water is cleaner in the Town of Limestone, Maine, because NRCS teamed-up with other local, state, and federal agencies on this watershed project. For many years, the water in Silver Spring Brook was discolored from eroding topsoil in the watershed. In times of high turbidity, many residents said it was like "brushing your teeth with sand." Resolving the problem began with the establishment of grass filter strips and silt fences installed along the brook. The Continuous Conservation Reserve Program and the Environmental Quality Incentives Program (EQIP) were used by watershed landowners to install conservation measures such as diversions, cross-slope farming, and grass waterways on adjacent crop fields. This reduced the amount of topsoil washing from the fields and causing the sediment load in the brook. Within a year after completing the project, dramatic results are evident. The Town of Limestone can reduce the cost of treatment for sediment removal to a minimum during non-storm days. The cooperating farmers report that gullies and field road washouts have been eliminated, making access to fields easier and saving them time and money.

- The **Sugar Creek Watershed,** located in the Grand River Basin of northwest Missouri, has some of the highest quality remnant prairie streams in the state. Land use in the watershed is predominately agricultural and is home to 205 farming operations. The Agricultural Non-Point Source Special Area Land Treatment Project, led by a board comprised of landowners and representatives from three county soil and water conservation districts, is working to implement a nonregulatory landowner-driven program that enhances watershed health while also meeting landowners' production goals. A watershed management plan guides the implementation of voluntary, incentive-based conservation practices that protect soil, water, habitat and wildlife resources while allowing farmers to meet their agricultural production objectives. An impressive community outreach program educates and inspires landowners, teachers, and students through newsletters, workshops, field trips and "Stream Teams." USDA provided technical and financial assistance through its Environmental Quality Incentives and Conservation Reserve Programs as well as CTA in support of funding provided by various local and state programs.

- What was once a heavily grazed, mostly treeless stretch of **Walla Walla River** (Washington) is on its way to becoming a model of aquatic habitat restoration thanks to the Walla Walla County Conservation District. Livestock producers have agreed to convert some of their cattle ranches into a showcase for voluntary stream enhancement projects. The river is an important migration route for endangered steelhead and bull trout. Funds from the U.S. Army Corps of Engineers, Bonneville Power Administration, the Washington Department of Fish and Wildlife, and NRCS' Wildlife Habitat Incentives Program have been used to implement the project. The project has established 75-foot buffer zones on both sides of the river. The buffers are planted with trees and

shrubs, including species that create good habitat diversity and food for wildlife. Cattle are restricted from the buffers; instead of drinking from the river and trampling the river banks in the process, the cattle use troughs that draw from new water wells. In a few years, the vegetation will shade the river and help maintain cool water while providing significant new habitat for birds and other wildlife. Contractors did a substantial part of the work, but over 160 unpaid volunteers also contributed hundreds of hours of sweat, muscle and expertise. Numerous other landowners have volunteered to establish buffer and local conservation leaders would like to create an unbroken, restored riparian corridor for twenty-four miles on the Walla Walla River.

Wetlands Conservation Provisions: NRCS responsibilities in wetlands conservation are defined in Title XII of the Food Security Act of 1985 (Farm Bill), as amended in 1990 by the Food, Agriculture, Conservation and Trade Act and the 1996 Federal Agriculture Improvement and Reform Act (FAIRA). Provisions link eligibility for USDA program benefits to farming practices on converted wetlands. The wetland conservation "Swampbuster" provisions of the 1985 Act provide that after December 23, 1985, a program participant is ineligible for certain USDA program benefits for the production of an agricultural commodity on a converted wetland, or after November 28, 1990, for the conversion of a wetland that makes the production of agricultural commodity possible. The FAIRA amended the Farm Bill by providing more flexibility to remain eligible to participate in USDA programs.

NRCS provided technical assistance in fiscal year 2001 to assist landowners with implementing the wetland conservation provisions of the Farm Bill. This assistance supported activities to meet client needs for wetland determinations/delineations, mediation, appeal processing and resolution, mitigation and restoration plans, minimal effect exemptions, and scope and effect evaluations for installation of new drainage systems and maintenance of existing systems.

Categorical Minimal Wetland Effect (CMW) Exemption: In September 2001, the Department and the Office of Management and Budget provided clearance for the publication in the *Federal Register* of a proposed rule to provide regional categories of wetland minimal effect exemptions. The rule proposes five CMW exemptions that when promulgated, will provide producers with greater flexibility for complying with the wetland conservation provisions of The 1985 Food Security Act, as amended. The proposed rule will likely be submitted to the Federal Register in January 2002, for public comment.

Farmland Protection: NRCS provides technical assistance to Federal agencies (as well as State and local jurisdictions working with Federal agencies) in order to limit a Federal project's impact on important farmlands under the Farmland Protection Policy Act (see 7 CFR, Parts 657 and 658). In FY 2000, NRCS assisted over 20 Federal agencies in complying with FPPA by evaluating the potential for important farmland conversion at 2,270 proposed project sites. Local Land Evaluation and Site Assessment (LESA) systems are used to identify and rate important agricultural land and are often used by local jurisdictions and non-governmental organizations involved in protecting important farmland. Approximately 20 new or updated LESA systems were developed last year with NRCS assistance through local community committees. The locally led process results in a technically sound, community-based system for protecting important crop, grazing, and forest land from conversion to non-agricultural uses.

USDA Water Quality Regional Project Initiatives: NRCS, the Cooperative State Research, Education, and Extension Service (CSREES), and Farm Service Agency (FSA) regional projects include the Chesapeake Bay, Gulf of Mexico, Great Lakes, Lake Champlain, the Coastal Zone Management Program, and the National Estuary Program. USDA assists in these projects in reducing agricultural non-point source pollution through ongoing programs that provide education, technical assistance, and financial assistance to individual farmers, ranchers, and communities. A coordinated approach to monitoring and evaluation has been undertaken to determine the level of success of ongoing programs and to improve future efforts. The monitoring and evaluation process focuses on reductions in pollutant loading, modeling load reduction below the root zone and beyond the edge of the field, and measuring change in the condition of surface and ground water conditions. It also includes an assessment of practices installed and the effects of these activities upon agricultural production. NRCS participates with State and local water quality

agencies, other Federal agencies, and international representatives in developing overall plans of action to meet the non point source water quality goals in the project areas and provides technical assistance to agricultural producers in implementing conservation plans.

Other Water Quality Activities: NRCS supports and participates in a variety of additional water quality activities including interagency and industry sponsored cooperative agreements, advancement of research and education initiatives, and identification of emerging water quality issues. These activities are supported by NRCS and various private entities, and involve organizations such as the Southeastern Egg and Poultry Association, the National Pork Producers' Council, and the National Council of Farm Cooperatives.

Resource Analysis and Assessment: NRCS performs analysis at its national, regional, and state offices, using the agency's unique databases such as the National Resources Inventory, soil survey data, and program data. Utilized also are databases from other sources, such as the Bureau of The Census, the National Agricultural Statistics Service, and the Environmental Protection Agency.

The Resource Assessment Division (RAD) in Washington, D.C., focuses primarily on national-scale analysis for national policymaking. It also develops techniques in geostatistical and econometric analysis to strengthen and expand natural resource assessment capability to help the agency to deal effectively with an increasingly complex conservation agenda. Every year, RAD analyzes a broad range of program-related issues to answer questions asked by the Congress, the Executive Branch, and agency leadership. Special projects in FY 2001, included the following:

- Developed an interim appraisal and analysis of conservation alternatives to be used by USDA in updating its National Conservation Program, as mandated by the Soil and Water Resources Conservation Act of 1977.
- Provided in-depth analysis of stewardship incentive proposals, as requested by policy makers.
- Developed performance and environmental outcome measures to help NRCS respond to the Government Performance and Results Act. A major example of this effort is the development of vulnerability indexes derived from manure loading rates and environmental factors to identify areas of the country that potentially are most at risk of ground- and surface-water contamination.
- Continued to ensure the availability of analytical products on the Internet. Hundreds of RAD products were made available on the World Wide Web site called "State of the Land" **(http://www.nhq.nrcs.usda.gov/land/).**

National Resources Inventory (NRI): Statistically reliable information on natural resources and environmental conditions and trends on the Nation's non-Federal lands is collected, analyzed, interpreted, displayed, and distributed through the National Resources Inventory program.

Since the passage of the Rural Development Act of 1972, NRCS has conducted the NRI every 5 years (1977, 1982, 1987, 1992, and 1997, plus several special topical studies of lesser intensity). Beginning in 2000, the NRI has transitioned to a continuous inventory process, wherein data on critical natural resource issues are collected annually.

Continuous resources inventory process: A continuous resources inventory approach was developed to create a more responsive NRI that can provide annual updates on topics of greatest concern to USDA and NRCS. This updated information will be used for agency strategic planning and evaluating program accomplishments as required by the Government Performance and Results Act (PL 103-62, August 3, 1993). In the 2000 NRI, the core survey samples were observed. The 2001 NRI inventoried samples from the core of the sampling frame as well as the first set of rotational samples. The core sample consists of about 41,500 Primary Sampling Units (PSU's) that are inventoried every year. Approximately 32,000 additional PSU's are selected each year for observation; these samples are different from PSU's inventoried in the previous year. The 2002 NRI features the continuous inventory process and will be conducted under provisions of the Agency's new inventory policy (GM 290, Part

400). NRI data collection is organized at 21 Inventory Collection and Coordination Sites (ICCS's) throughout the United States. High-resolution imagery continues to be used for NRI data collection as well as a variety of technology transitions, such as GIS, GPS, and hand-held data entry processes. On-site data collection of approximately 4,000 PSU's is initiated during 2002 as a fundamental activity of the continuous inventory. Objectives for on-site data collection are 1) to collect information on natural resources that cannot be obtained through remote sensing (such as slope) and 2) to obtain ground truth data for future remote sensing efforts and for the quality assurance process.

- Data elements collected in the NRI include:
- Soil characteristics and interpretation,
- Land cover and use,
- Erosion (such as sheet and rill, or wind),
- Land treatment (such as irrigation),
- Extent of developed land,
- Habitat diversity,
- Land maintained under the Conservation Reserve Program,
- Wetlands status, and
- Conservation practices and resource issues.

1997 NRI: Data from the 1997 NRI were released in January 2001, after thorough quality review and analysis. The 1997 NRI data base was constructed to permit easy analysis of 15-year trends in land use, erosion, and many associated resource conditions. Data have been made available to NRCS staff through a Web-based NRI Online Analysis System that offers customized query processing. The public has access to NRI data from information posted to the NRI Web site at **http://www.nhq.nrcs.usda.gov/NRI/**, from working directly with NRCS staff who obtain data from the online query system and perform associated analyses, or by purchasing a CD-ROM, published in CY 2001, containing "raw" data that can be loaded into the user's own application software.

Reimbursable Work: NRCS provides technical assistance to other Federal, State and local entities under reimbursable agreements to accomplish conservation goals. The following are examples of the significant reimbursable workload performed for other Federal agencies.

Conservation Reserve Program (CRP): NRCS provides technical assistance to landowners for the delivery of the CRP (including the continuous sign-up and CREP) through an annual reimbursable agreement with the Farm Service Agency. CRP offers 10- to 15-year rental contracts for retirement of excessively erodible lands or land that contributes to water quality problems and to improve or develop wildlife habitat. NRCS calculates the Environmental Benefit Index associated with bids offered by landowners, develops conservation plans with landowners to provide protective cover of grasses or trees that will reduce soil erosion, improve water quality, and enhance wildlife habitat, and monitors the implementation of conservation practices and maintenance of CRP acreage.

FY 2001 CRP Workload: There was no general CRP sign up in fiscal year 2001. NRCS provided conservation planning under the 23rd continuous sign up for 34,356 CRP contracts accepted covering 298,483 acres. These are not the final totals, official totals will be based on the December 2001 data upload. In addition, NRCS provided planning, conservation practice application, and maintenance activities for the approximately 32.4 million acres enrolled to date under CRP.

Conservation Reserve Enhancement Program (CREP): States with National or State significant conservation and environmental problems on agricultural lands, as a result of agricultural activities in specific geographic areas, may enter into a Memorandum of Agreement with USDA for a Conservation Reserve Enhancement Program (CREP) to address these conservation and environmental problems. CREP expands CRP's effectiveness by allowing USDA to work in partnership with States and local interests to meet specific conservation objectives in their State CREP. Maryland signed the first CREP agreement in 1997. During fiscal years 1998 through 2000, CREP agreements were signed

by the Secretary with the following twelve States: Minnesota, Illinois, New York, Oregon, Washington, North Carolina, Delaware, Pennsylvania, Virginia, Ohio, Michigan, and Missouri. California, North Dakota, Iowa, Kentucky, Vermont, and Wisconsin signed CREP agreements in fiscal year 2001. A CREP agreement was sent to the Governor of Arkansas for his signature on November 6, 2001. Other proposals under review are from Nebraska, Montana, West Virginia, New Jersey, and Florida. New York also submitted a 1000-acre proposal for the Skaneateles Lake Watershed near Syracuse, New York and is similar to the New York City Watershed proposal approved in FY 1998.

Farmable Wetland Pilot: Authorized by the 2001 Agricultural Appropriations Act to allow enrollment of certain wetlands and buffer acreage on a pilot basis into CRP. Sign up is on a continuous basis and began in June 2001. The pilot will enroll up to 500,000 acres in six states, with not more than 150,000 acres in each state. States participating in the Farmable Wetlands Pilot and their prospective enrollment limitation are: Iowa - 100,000 acres; Minnesota - 100,000 acres; Montana - 25,000 acres; Nebraska - 75,000 acres; North Dakota - 100,000 acres; and South Dakota - 100,000 acres.

Carry Over Workload: CTA workload also includes requirements associated with other provisions of law. Assistance is provided through CTA for activities associated with multi-year contracts entered into under programs that are no longer authorized or funded. The functions of the Colorado River Basin Salinity Control Program (CRBSC) and the Great Plains Conservation Program (GPCP) were combined into the Environmental Quality Incentives Program (EQIP) in April 1996.

Agricultural Conservation Program (ACP): The 1996 Act consolidated ACP along with three other programs into the Environmental Quality Incentives Program (EQIP). There was no new funding for ACP in fiscal year 1999. However, NRCS continues to provide technical assistance to participants of ACP for planning, design, and layout of cost-shared practices; supervision of implementation; and certification that the conservation practice meets standards and specifications under long-term agreements (LTA) and the Water Quality Incentives projects (WQIP) for 3 to 10-year agreements. In addition to regular ACP assistance, NRCS provides assistance for WQIP contracts that were funded from FY 1994 through 1996.

Colorado River Basin Salinity Control (CRBSC): The 1984 amendments to the Colorado River Basin Salinity Control Act, in Public Law 98-569, gave USDA a separate authority for developing and implementing a voluntary and cooperative on-farm salinity control program. The Colorado River Basin Salinity Control (CRBSC) Program's purpose was to reduce salt loading in order to enhance and protect the quality of water available in the Colorado River for use in the United States and Mexico (Public Law 93-320, Colorado River Basin Salinity Control Act). The program provided non-Federal cost-share reimbursement from the hydroelectric power revenues of the Upper and Lower Colorado River Basin development funds and has authority to cost-share with irrigation districts and canal companies.

NRCS continues to perform work on CRBSC Program long-term contracts by revising project plans, and providing technical assistance for the installation, operation, and maintenance of salinity reduction practices. The emphasis is on irrigation water management. NRCS assistance includes planning, application, and maintenance of wildlife habitat practices. In addition, NRCS is responsible for monitoring and evaluating the technical aspects of the program.

In FY 2001, over 1,000 acres of conservation systems were applied. Irrigation management systems were applied on 1,876 acres. Additionally, 27 acres of upland and wetland wildlife habitat management were installed. Since program inception in 1987, the program has implemented practices that have prevented over 318,000 tons of salt annually from entering the Colorado River. The salt savings achieved through the installation of agricultural salt reduction practices permits municipal and industrial entities to save over $100 million annually in treatment costs to remove salt from their water supplies.

Rural Abandoned Mine Program (RAMP): NRCS continues to provide technical assistance to land users in planning and applying reclamation practices. During the past year, NRCS has worked in partnership with Federal, State, and local organizations, using RAMP funds not obligated to current land user contracts; to provide both technical and financial assistance to individual land users and local communities impacted by past mining.

The RAMP program provides technical and financial assistance to landowners and land users who voluntarily enter into 5- to 10-year contracts to reclaim up to 320 acres of eligible abandoned coal mined land. NRCS field staff assists landowners in preparing a reclamation plan that outlines the treatment, cost, and design that provides on-site assistance with construction. NRCS uses local and State reclamation committees to assist in establishing priorities for RAMP projects. In FY 2001, over 340 acres of conservation systems were applied. Soil erosion control treatments were applied to over 300 acres and 8 acres of upland wildlife habitat management were applied.

Cooperative Efforts: Conservation of private land is a partnership effort that relies on many individuals, groups, and governmental entities working together to achieve common goals.

Conservation Districts: The foundation of conservation efforts on private lands is the traditional partnership between NRCS, state conservation agencies, and local conservation districts. NRCS provides assistance to individual land managers through the local districts. Conservation districts are units of state or Tribal government that are responsible for setting priorities and developing conservation programs for their area. They operate under boards made up of volunteers who are locally elected or appointed officials and who serve without salary.

District staffing: District employees administer local and state conservation programs and cooperate with NRCS specialists in administering Federal programs in the district. In fiscal year 2001, the front-line conservation work force included nearly 7,400 NRCS employees and more than 7,500 district or state agency staff. In some field offices, there are more state and local employees than NRCS staff. NRCS and state and local employees in a field office work as a team, using the same case files and technical tools to serve the local community.

District funding: Conservation districts receive funding from local, Tribal, state and federal governments, and in some cases raise funds through equipment rentals or seedling sales in order to carry out the local conservation program. Over the years, they have developed cooperative ways of financing conservation programs. State and local appropriations and in-kind services for conservation district program activities totaled approximately $1 billion in FY 2001.

Reinventing the partnership: In 1994, the Secretary of Agriculture announced an initiative to renew the conservation partnership. As part of this initiative, many American Indian Tribes and Alaska Native Governments formed Tribal conservation districts for the first time. The Secretary of Agriculture, governors of each State, Tribal governments, and conservation districts signed new mutual agreements that establish the framework for cooperation among the USDA, States, Tribes, and conservation districts. As of September 30, 2001, more than 3,100 mutual agreements have been signed.

Strengthening local partnership operations: The Partnership Coordinating Council, representing the traditional conservation partners, formed a Partnership Operations Work Group to support the USDA strategy, established in the National Conservation program, of strengthening the conservation partnership at the local level. The work group has assisted 21 State task forces to define their State's desired program delivery system, analyze current conditions and previously developed strategies, and identify strategic issue areas, goals and actions that the State partnership will work on together using all talents and tools that can be gathered. These include Florida, Montana, Utah, North Carolina, South Carolina, Massachusetts, California, Alaska, North Dakota, Iowa, Illinois, Colorado, New Mexico,

Connecticut, Arkansas, Indiana, New York, Washington, and Pennsylvania. Six other States have received special assistance.

Other Federal Agencies: Many Federal agencies rely upon the technical expertise unique to the NRCS to plan and implement programs that impact rural residents and resources. Some examples are the Conservation Reserve Program of the Farm Service Agency; the Surface Mine Control and Reclamation Programs of the Department of the Interior; the Coastal Zone Management Program of the Department of Commerce; and the Chesapeake Bay Agreement, National Estuary Program and Clean Lakes Program of the Environmental Protection Agency (EPA). NRCS has signed memoranda of understanding with EPA for nonpoint source technical cooperation; with the Cooperative State Research, Education and Extension Service for water quality data and training; and with the Agricultural Research Service and the U.S. Geological Survey for cooperation on water quality research and monitoring.

International Activities: NRCS helps improve the management and conservation of natural resources globally by participating in collaborative efforts with other countries through reimbursable agreements with the Agency for International Development through the Foreign Agriculture Service. These efforts result in benefits to the U.S. and, in particular, accomplishments of the NRCS mission. During FY 2001, NRCS specialists completed 203 assignments to 36 foreign countries. The objectives of the assignments were to: provide short and long-term technical assistance and leadership for the development of natural resource conservation programs and projects; exchange conservation technology with countries that face soil and water conservation issues similar to those in this country; and, participate in international meetings and professional societies to share conservation technology and to broaden the technical knowledge and professional capability of NRCS staff.

Specific examples include:
NRCS maintained and enhanced its leadership role on natural resources conservation and environmental issues and policies by participating in USDA efforts to promote sustainable agriculture and rural development worldwide. Specialists served on U.S. Department of State delegations in Germany, Ghana, Netherlands, Portugal, and Switzerland to help strengthen existing U.S. programs in climate change, desertification, and biological diversity.

NRCS participated in collaborative efforts with farmers and resource management agencies in Canada and Mexico to exchange and promote natural resources conservation issues. Concerns which impact U.S. farmers, ranchers, and others along the borders included plant materials, agroforestry, wildlife management, water quality, cultural preservation, conservation tillage, watershed protection, and nutrient management.

NRCS participated in scientific and technical exchanges with other countries to promote the management and conservation of natural resources globally. Mutual benefits were attained through short-term exchanges of U.S. and foreign scientists. Specialists worked with counterparts in Antarctica, China, Ghana, Mongolia, and New Zealand to share data and new technologies on water management, global climate change, and sustainable agriculture.

Agency specialists shared natural resources conservation knowledge with people in other countries and participated in collaborative efforts that resulted in mutual benefits to NRCS and our foreign partners. Approximately 250 foreign students, technicians, administrators, and farmers from over 30 countries observed and discussed conservation programs in the U.S. in order to transfer applicable methods to their home countries. The highest numbers of these visitors were from China, Ethiopia, Germany, Japan, Portugal, Russia, and Thailand. Our involvement in these efforts has brought different technologies to NRCS that include better nutrient management and erosion control; improvements in conservation buffers, water quality, bioengineering, plant materials, and agroforestry technologies; more effective animal waste management and small dam design and maintenance; and, better understanding of desertification, climate change, environmental indicators, and non-point source pollution control.

Outreach to Underserved Groups: NRCS provides technical and financial assistance for various projects and special initiatives to assist underserved individuals and communities throughout the Nation. The projects are aimed at meeting the unique conservation needs and challenges of distinct cultural living; revitalizing small farm production, processing, and marketing of farm products; implementing new site-specific technology and developing comprehensive resource plans to address the Department's Food and Agricultural Policy.

1890 Land Grant Institutions: NRCS maintains a presence on selected 1890 land grant university campuses, providing knowledge and skills to strengthen and broaden the transfer of technologies through the 1890 institutions and to the agricultural communities they serve. The projects and programs are aimed at meeting the unique conservation needs and challenges of distinct cultural living; revitalizing small farm production, processing, and marketing of farm raised crops; implementing new site-specific technology and developing comprehensive resource plans to address the Department's Food and Agricultural Policy. Some of the NRCS ongoing technical assistance and education outreach ventures are:

Lincoln University - Center on Geographic Information Systems (GIS) and Wildlife Management. The GIS lab offers supporting agencies an opportunity to develop digital data using student labor, project assistance for mapping and spatial analysis needs, and a research environment for investigating new technologies. On the average, thirty students take GIS classes each semester. NRCS has employees who received financial support and training from the GIS program.

Langston University - Grassland Center. The center establishes partnerships with community based organizations and minority farm groups to help improve grassland resources by providing quality technical assistance; developing improved plant varieties; and forming alliances that support the continuing education for grassland managers.

South Carolina State University – Center for Environmental Sciences, Education and Research. The goals of this center are: to provide hands-on, field oriented experiences for regional HBCU undergraduate activities that utilize math and science principles to solve complex real-life problems in agriculture, environmental science, natural resources and engineering; to increase recruitment and retention of minority students and women in science, engineering, natural resource management, and environmental science; and, to increase science literacy and public education on complex science-based environmental, agricultural, and natural resources issues.

Hispanic Association of Colleges and Universities: NRCS is working closely in cooperation with the Hispanic Association of Colleges and Universities (HACU), to increase Hispanic employment in NRCS. HACU is a national association representing nonprofit, accredited colleges and universities in the United States where Hispanics comprise at least 25 percent of the total student enrollment. NRCS has representation on the HACU leadership group who in turn ensure that the Hispanic community equitably benefits from USDA programs, resources, services, and employment opportunities. Ongoing activities include:

HACU Leadership Group: The HACU Leadership Group is comprised of USDA senior level managers and college and university administrators. NRCS has two representatives on the Group who assisted in developing a strategic plan to address employment, education, and program delivery to Hispanics.

Hispanic Serving Institutes Liaisons: NRCS provides financial support to two liaisons that counsel, mentor, coach, and support students who are enrolled in Hispanic serving institutions. The liaisons have counseled students regarding employment. They also assisted students in the areas of qualifications for specific job series, placement, and explaining the mission and role of NRCS.

Texas State Technical College (TSTC): The NRCS National Hispanic Emphasis Program Manager works cooperatively with TSTC (a 2-year college) to place TSTC graduates in jobs with NRCS. HACU works with TSTC students to place them in 4-year colleges and universities.

Small Farms and Limited Resource Farmers: NRCS has implemented an initiative to ensure that NRCS programs are administered in a way that enables small or limited resource farmers to maintain and develop economic viability in small farm operations; to ensure that NRCS technical assistance programs and activities reach small and limited resource farmers and ranchers; and to ensure that technical practices and information are relevant to the needs of these farmers and ranchers. Coordination and communication for this initiative occurs throughout all levels of NRCS.

Assistance to American Indians & Alaska Natives: NRCS has specific responsibility under law for providing assistance to American Indians and Alaska Natives. The Indian Self-Determination and Self-Government Act, P.L. 94-638, gave responsibility for carrying out the Federal Government's trust responsibilities to all Federal agencies. In 1988, the signing of a memorandum of understanding between the Secretary of Agriculture and the Secretary of Interior, gave NRCS full access and recognized trust responsibilities on American Indian Nation and Alaska Native lands. In response to the Secretary's memorandum, the heads of the U.S. Department of Interior, Bureau of Indian Affairs (BIA); USDA Agricultural Stabilization and Conservation Service (now Farm Service Agency); and, USDA Soil Conservation Service (now NRCS), signed a Memorandum of Understanding relative to planning and implementing USDA conservation programs on Indian lands. The American Indian Agricultural Resources Management Act, which was enacted in late 1993, requires the development of 10-year plans for the management of resources on all Tribal lands in the Nation.

Offices Serving Tribes: The Food, Agriculture, Conservation, and Trade Act (FACTA) of 1990, Section 2501 (g), further defines the responsibilities of USDA. It directs that NRCS and other USDA field agencies establish sub-offices at Tribal headquarters for Tribes who request it and staff the office at least one day per week. The Secretary of Agriculture implemented this mandate through Departmental Regulation 1340-2, dated August 6, 1991. As of September 2001, NRCS has 40 full-time offices on tribal lands and 75 part-time offices.

Technical Assistance to Tribal Conservation Districts: American Indian and Alaska Native organizations are relying more and more upon the technical expertise unique to the NRCS to plan and implement programs which impact Tribal and regional corporation resources as well as their citizen's individual farms and ranches. The Secretary of Agriculture has signed mutual agreements with twenty-three conservation districts formed under tribal law. NRCS works with the Tribe or regional corporation under Alaska Natives Claims Settlement Act (ANCSA) to develop cooperative working agreements to deliver NRCS programs to American Indians and Alaska Natives. Under the terms of these agreements, NRCS provides technical assistance through the American Indian or Alaska Native conservation district, to assist American Indian Nations and Alaska Native organizations and citizens to plan, apply, and maintain conservation treatment on the land. These Indian conservation districts are legal subdivisions of American Indian and Alaska Native governments organized for the purpose of developing and carrying out local conservation programs to protect, conserve, and maintain their natural resources. Officials of Indian conservation districts are local leaders in the development of appropriate land use and conservation treatment on private and tribal lands within the district boundaries. They solicit tribal, local, State, and Federal participation to help carry out locally adaptive conservation programs.

Intertribal Agricultural Council: The Food, Agriculture, Conservation and Trade Act of 1990 (FACTA), Section 2501(g), provided a basis for establishing two contracts with the Intertribal Agriculture Council (IAC). The first contract was for the hiring and training of American Indian farmers and ranchers for the purpose of meeting with tribes to explain USDA programs. NRCS provided the leadership for this multi-USDA agency effort. The second contract brings Tribes together with NRCS and other agencies to discuss mutual opportunities to protect natural resources.

American Indian Land Grant Colleges: NRCS has worked with many of the American Indian Land Grant Colleges to assist them in developing and teaching natural resource courses and curricula. NRCS provides financial support for the development and enhancement natural resource curriculum.

NRCS Leadership & Assistance: NRCS provides leadership assistance to other Federal and state agencies in working with American Indians and Alaska Natives. Examples include assistance with the development of Tribal water quality assessments and plans under the Environmental Protection Agency's Clean Water Act, Section 319 provisions, cooperative fish and wildlife enhancement efforts with the U.S. Fish and Wildlife Service, and soil surveys in cooperation with BIA. NRCS is working cooperatively with tribes and BIA to employ GIS as a planning tool in the development of reservation-wide natural resource plans. NRCS has developed an experiential training workshop for agency staff on "Working Effectively with American Indians" that is serving as a model for many USDA agencies and other Federal departments. Fifty-two sessions have been taught in 23 States.

Following are some examples of NRCS accomplishments achieved while working with American Indians.

Wyoming -The Wind River Indian Reservation is home to the Eastern Shoshone and Northern Arapahoe tribes. Ranching and hay production are key components of the reservation economy. NRCS provided technical and financial assistance to theTribe under EQIP to establish livestock management practices. The practices included installation of livestock ponds, pipelines and tanks, spring developments, wells, riparian area fencing and cross fencing. This assistance benefited individual hay producing tribal members by establishing irrigation water management practices that include the installation of gated pipe, sprinkler systems, water control structures, and land leveling. Using the WRP program and working closely with other federal partners, the NRCS has help the Tribes restore 1,275 acres of wetlands and associated uplands. In 2001, the Goose Pond wetland complex of shallow marshes was completed providing habitat for migrating and local waterfowl.The WHIP program was used to assist the Tribes with fencing off a 300-acre riparian area that was once a prime habitat for whitetail deer, moose, and sage grouse. Since project completion wildlife numbers are on the increase. NRCS is also assisting the Tribes with a 2.2 million-acre soil and range inventory.

California – Members of the Native Indian community in northern California created the "Wellness Garden," a place of quiet reflection and a key element to the Native American concept of health, with a stream of running water and plantings of native shrubs, trees and medicinal herbs. NRCS provided technical and financial assistance for water and irrigation development, native grass restoration, wetland restoration, conservation education, and the installation of primary trails through the acreage with educational and interpretive signage along the way. The land was restored as much as possible to the original Mad River Valley landscape of dense forest with large meadow openings and wetlands. Today the health Center serves more than 13,000 American Indians including Yuroks, Tolowas, Wiyots, Wylacki, Karuks, Hupas, and other tribe members who now reside in the area.

Nebraska - Dealing with erosion is a constant battle for many farms in Richardson County, Nebraska. The Iowa Tribe was no exception as they battled soil erosion from rainfall while trying to turn a profit on land that was described as "melting like sugar." This type of soil erosion caused large gullies that sometimes results in a loss of 10-12 acres in just one field. NRCS designed a diversion, terraces, waterways, filter strips, and a tile system to help slow down water running off the field. On the flatter ground the conservation practices caused yields to increase by 15 to 20 percent and on steep ground production has increased 100 percent. Equipment maintenance has decreased because tractors and implements no longer have to bounce over the gullies and ditches.

Kansas - Overgrazing and unrestricted access to streams on pastureland belonging to the Kickapoo Tribe left the land in poor condition. Weeds and woody vegetation had taken up residence on the pastureland and without alternative watering sources, the existing streams were used as loafing areas by livestock. NRCS partnered with the Bureau of Indian Affairs to help the tribe qualify for five

Environmental Quality Improvement Program (EQIP) contracts to enhance and protect 400 acres of the their pastureland. Through the use of the EQIP program the tribe was able to construct 15,400 feet of fencing, protecting 70 acres of riparian area streams. To stop gully erosion they constructed three embankment ponds and two pit ponds to provide alternate water sources, and installed three sediment basins and several tile outlet terraces with underground tile outlet pipes. They also implemented brush control on 65 acres to increase forage production and established stocking rates for each pasture, and established a nutrient and pesticide management plan.

Montana - Tribal rangelands are some of the largest expanses of intact native prairie ecosystems left in Montana, providing natural resource benefits to the community, livestock, and wildlife. The Fort Peck Tribal Natural Resources Department manages 370,000 acres of rangeland as 93 separate Range Units leased for livestock grazing. The last rangeland inventory of Tribal land was completed in the 1970's. The need for a new inventory to provide baseline data for long-term management decisions had been identified by the tribal staff. NRCS employees volunteered to be part of a technical team that collected data and conducted the inventory. The initial phase of the inventory was completed in July 2001. The inventory teams were comprised of 26 NRCS employees, a Roosevelt County Conservation District employee, and one Bureau of Indian Affairs employee. A total of 155,430 acres were inventoried, and all of the data was captured on topographical maps. The second phase of the inventory will be completed by October 2002.

Information Services: NRCS' proactive communications activities foster voluntary cooperative solutions to environmental issues on privately owned farms and ranches and in rural and urban communities; keep citizens informed about legislative requirements concerning conservation and the environment; and provide wide dissemination of NRCS natural resource information. NRCS' communications activities:

- Use a positive approach to reinforce and strengthen farmers' conservation commitment.
- Help ensure that conservation provisions are understood and used.
- Gain the involvement and support of agricultural and environmental organizations in developing and delivering conservation messages.
- Foster conservation progress by increasing awareness of the public benefits of conservation efforts.
- Increase local and national support and involvement for voluntary conservation efforts.

NRCS' Conservation Communications Staff continued its commitment to supporting Departmental conservation initiatives. NRCS public affairs staffs in Washington, D.C., and throughout the Nation brought national attention to initiatives and events such as the Soil and Water Conservation Assistance and Agricultural Management Assistance programs, the Conservation Buffer Initiative, and Earth Day activities.

By working with the media and developing public information materials, NRCS communications staff generated greater public awareness of the need for conservation through the Backyard Conservation campaign, the dedication of the nation's first rehabilitation project for an aging upstream dam in Cheyenne, Oklahoma, among other projects. NRCS' communications staffs, working through the Emergency Watershed Protection Program, played key roles in continuing recovery and restoration efforts following natural disasters, such as flooding in West Virginia and the drought in Klamath Basin in California and Oregon where it was critical to get the word out about EWP assistance due to the immediate need to plant cover crops.

Assisting in these efforts is the Earth Team, NRCS' volunteer program. Over 31,907 volunteers donated more than 925,700 hours of service to NRCS in FY 2001. This is an increase of more than 19,000 volunteer hours when compared to FY 2000. The overall value of volunteer time in FY 2001 was more than $14 million, from an investment of $176,239 reflecting an $80 to $1 ratio of volunteer value to investment benefit.

NRCS works to educate teachers and students about natural resource conservation through activities with FFA, National Science Teachers Association, Girl Scouts of the USA's Linking Girls to the Land program, and many other groups.

SOIL SURVEYS

Current Activities. Soil is a strategic natural resource that must be understood, managed, and conserved to sustain the economy and health of the Nation. NRCS is responsible for leading the Federal part of the National Cooperative Soil Survey (NCSS), a partnership of Federal land management agencies, State agricultural experiment stations and State and local units of government. NCSS promotes the use of soil information and develops policies and procedures for conducting soil surveys and producing soil information. NRCS provides the scientific expertise to enable NCSS to develop and maintain a uniform system for mapping and assessing soil resources, so that soil information from different locations can be shared regardless of which agency collects it. NRCS provides most of the training in soil survey to Federal agencies and assists other Federal agencies with their soil inventories on a reimbursable basis. NRCS is also responsible for developing the standards and mechanisms for the soil information for the national spatial data infrastructure required by Executive Order 12906.

In the past few years, NRCS has been perfecting a National Soil Survey Information System (NASIS) and producing publications that will be accessible to the public through the Internet. In FY 2001, use of the Internet to access soil survey information increased 40 percent from the previous year to an average of over 930,000 hits per month at the Soil Survey web site. Each month there were at least 50,000 individual visitors to this web site. Over 50 percent of the users were from non-federal sources. Downloads of educational materials about soil science especially increased from previous years. Specific statistics are available at: http://www.statlab.iastate.edu/soils/wwwreports/stats.html.

Soil surveys provide the basic information needed for managers to sustain their natural resources. They also provide information needed to help sequester greenhouse gases, protect water quality, wetlands, and wildlife habitat. Soil surveys are the basis for predicting the behavior of a soil under alternative uses, its potential erosion hazard, potential for ground water contamination, suitability and productivity for cultivated crops, trees, and grasses. Soil surveys are important to planners, environmentalists, engineers, zoning commissions, tax commissioners, homeowners, developers, as well as agricultural producers. Soil surveys also provide a basis to help predict the effect of global climate change on worldwide agricultural production and other land-dependent processes.

The NRCS Soil Survey Program is mandated to conduct three activities:

- Map the private lands of the United States.
- Provide soil information to the public.
- Provide technical assistance in the use of soil information.

The primary focus of the Soil Survey Program is to provide current and consistent map interpretations and data sets of the soil resources of the United States. Approximately 96 percent of the private lands of the United States and its territories are covered with soil surveys. Only about 60 million acres of non-Federal land remain to be mapped. However, the inventory must be maintained and updated to meet current needs of resource managers and over 40 percent of the current inventory is in need of updating.

NRCS is conducting a multi-year reinvention process to transform the soil survey program from a program with a primary focus on initial mapping and publishing a hard copy report to one that will provide greater emphasis on updating older surveys. Special emphasis will be placed on getting information to the public in a variety of different formats, including electronic. The program will also focus on maintaining the quality of the soil information, and helping people to understand and use the soil resource in a sustainable manner. The process included extensive discussions with users of soil information both inside and outside the agency and collaboration between NRCS and the other members of the NCSS. The resulting key changes in program structure and direction include:

- Mapping. Mapping procedures are now managed on the basis of physiographic, rather than political boundaries. Soil surveys, based on natural landscape boundaries rather than political boundaries, provide people with more consistent, quality data for assessing and planning the use and protection of landscape units, such as watersheds or ecosystems. Older surveys, conducted on a county basis, do not provide consistent data that can be used easily by landowners with holdings in multiple jurisdictions, or by community, State, or regional planners. One of the challenges now is to get the initial soil survey of the public lands completed. Public lands are important to include with private lands when planning land use and conservation for watersheds, landscapes, or ecological sites.
- Information management. The National Soils Information System (NASIS) gives customers direct access to information and data, and permits more effective use of soil information. Users of soil information need it in many forms. Some want data in electronic format, some want information only for a specific land use, some want only the laboratory data and not the interpretations for any use, and some want all of the data for a very small section of the survey area. NASIS enables the agency to provide information quickly and in the form that is most useful to the customer. Digitizing soil survey information enables customers to use it in geographic information systems for generating maps tailored to their needs and doing complex resource analyses.
- Digital data are provided at three levels of generalization: Soil Survey Geographic Data Base (SSURGO) is the most detailed level of information and is used primarily by landowners, townships, counties or parishes, and watershed hydrologic units for planning and resource management. State Soil Geographic Data Base (STATSGO) is used primarily for multi-county, state, river basin planning and resource management and monitoring. National Soil Geographic Data Base (NATSGO) is used primarily for multi-State, regional, national planning, and resource monitoring, and appraisal.
- Technical soil services. The soil technical assistance function focuses primarily on providing diversified products and assistance in using soil information to better meet local needs through USDA service centers.

Selected Examples of Recent Progress: As of September 30, 2001, soil surveys have been prepared on over 2.1 billion acres. During FY 2001, NRCS soil scientists mapped and updated 21.9 million acres, and another 2.46 million acres were mapped and updated by other Federal, State and local agencies in cooperation with NRCS for a total of 24.36 million acres mapped in FY 2001. Of this total, over 925,000 acres were on Native American and Native Alaskan lands. State, local and other Federal agencies involved in the National Cooperative Soil Survey (NCSS) provided about 10 percent of the funds and 12 percent of the personnel services used to produce soil maps and interpretative data.

Soil mapping priorities are currently being directed toward completion of all previously unmapped private lands and updating mapping and interpretations that no longer meet user needs and requirements. The National Cooperative Soil Survey strives to search for the efficient, scientifically sound and cost-effective methods to provide soil survey information for the Nation. An initiative is also underway to digitize modern published soil surveys. National digitizing standards for soil surveys have been developed that are consistent with Federal Geographic Data Committee standards. During FY 2001, 139 soil surveys were digitized and certified as meeting NRCS national digitizing standards. A total of 1,080 digitized surveys are now available, and work is progressing on 559 others.

Soil surveys for 25 new counties or survey areas were published in FY 2001. As more soil surveys have become available digitally, NRCS is distributing a significant number of soil surveys in this format. In FY 2001, NRCS distributed 361 SSURGO soil surveys by CD-ROM and 34,343 SSURGO soil surveys through downloads on the Internet. NRCS distributed 18 STATSGO soil surveys by CD-ROM and 7,243 STATSGO soil surveys through downloads on the Internet.

The following are specific examples from last year of success within the National Cooperative Soil Survey (NCSS) that illustrate the priorities of the NRCS Soil Survey Program:

- The Natural Resources Conservation Service initiated fieldwork for a 9,000,000-acre soil survey in western Alaska in FY 2001. The survey area is part of the resource base for 19 Alaska Native Villages. The National Cooperative Soil Survey effort established a partnership between NRCS; Calista (Alaska Native) Corporation; Kuskokwim (Alaska Native) Corporation; Interior Rivers Resource Conservation and Development Council; Mid-Yukon-Kuskokwim Soil and Water Conservation District; University of Alaska Fairbanks; and numerous Alaska Native groups including local native associations. Survey products, including soil interpretations, will be tailored to address the specific needs of the areas residents especially related to water and sewage issues, housing concerns, and resource development. As part of the survey effort, soil climate monitoring stations are being installed at two villages. These will provide much needed baseline data for local residents as well as be part of a wider NRCS climate network collecting data needed to study climate change. Partnerships with village schools are being formed to incorporate the monitoring station data into the school curriculum.

- The Soil Quality Institute is currently cooperating with USDA-ARS and University partners on several technology development projects including:
  - The development of a soil quality index using key soil quality indicators and scoring functions by region to assist in assessments of soil quality.
  - Studies to assess the impact of management practices such as cover crops, tillage, and irrigation on soil quality.
  - Field testing and evaluation of a field scale model to estimate rates of carbon sequestration under various farming practices.
  - Evaluation and calibration of a field test for measuring carbon in soils.
  - Development of protocols for field sampling activities for measuring and monitoring soil carbon change at the field scale.
  - Development of procedures for collecting dynamic soil property data for inclusion in soil survey databases.

- The Native American Tribes in Maine are benefiting from the soil survey work that the Maine Soil Survey Team has been involved with over the past two years. The Team, consisting of eight soil scientists, has worked with the Passamaquoddy Tribe to complete the soil survey of their lands, as well as completing the mapping on the Penobscot Tribe's Trust Lands. This involved mapping about 180,000 acres over the last two years. The Team is now working with the tribes to develop soil survey reports for each tribe. These reports will contain the standard interpretations, but the emphasis will be on forestry and wildlife uses.

- The NRCS Soils Staff in New Hampshire hosted the 2001 Global Change Wet Soil Monitoring Conference. The Conference presented a summary of findings based on data collection efforts from 1988 to 2001 in diverse wetland ecosystems around the country. There were 11 states that participated in the monitoring initiative: Alaska, Oregon, Utah, North Dakota, Minnesota, Texas, Louisiana, Indiana, New Hampshire, Kansas, and Kentucky. This initiative produced a factual database to represent wet soil properties in wetlands and associated uplands in many parts of the country.

- On August 15, 2001, the first Oregon Vineyard Soil Forum was held in the Willamette Valley of Western Oregon. This Forum was hosted by the Natural Resources Conservation Service, Agricultural Research Service, Oregon State University, Chemeketa Community College, Yamhill County Wineries, and several local soil consulting groups. The wine industry is one of the fastest growing industries in the State of Oregon. Over 130 vineyard owners and managers attended the forum. Electronic versions of those reports have been developed and placed on the web. The demand by the vineyard owners and managers for additional soil information along with the rapid land use changes and urbanization of the Willamette Valley is creating a critical need for the update and maintenance of the soil surveys in the area.

- The Texas NRCS Soil Survey and the Harris County Flood Control District (HCFCD) have entered into a partnership to update the soil survey in the northern part of Houston. This partnership presents a unique opportunity for the soil survey program to showcase the utility of state-of-the-art soils information for urban planning, a use not commonly associated with soil surveys. The HCFCD constantly assesses the necessity of runoff control structures for high growth areas of the City of Houston. This entity uses soils information when planning for these structures as well as wetland mitigation sites, and runoff prediction models.

- A soil survey of the Grand Staircase-Escanlante National Monument (GSENM) in southern Utah has been in progress since the fall of 1997. This survey has been a collaborative effort between NRCS, USU, BLM, and NPS. A study on GIS-landscape analysis for soil mapping has been conducted in a portion of the GSENM. Landscape analysis has proven to be a very useful tool in soil mapping, both in the pre-mapping and final mapping stages. Consistency and reliability of map unit design were improved with the use of landscape analysis. Landscape analysis allowed for a more complete understanding of remote areas of the survey area, which may not be feasible to cover with traditional field methods. This project also demonstrated that GIS is a useful landscape analysis tool for validating and quantifying soil map unit concepts.

- In the winter of 2000-2001, soil scientists in Vermont developed an automated soil map compilation procedure using GIS (ARCVIEW) and orthorectification technology. This new procedure eliminates the need to scan hand compiled soil survey maps and provides a more accurate soil survey product in a much shorter period of time. Preliminary digital soil survey data can now be provided at the local level to customers in a few days, rather than waiting until the entire soil survey area is completed.

SNOW SURVEY AND WATER SUPPLY FORECASTING

Mission: The mission of the Natural Resources Conservation Service, National Water and Climate Center (NWCC) is "to lead the development and transfer of water and climate information and technology which support natural resources conservation." NWCC functional areas include; natural resource planning support; data acquisition and management; technology acquisition and development; technology transfer; and, partnerships and joint ventures. Key activities include:

Hydromet Data Acquisition and Technology: Snowmelt provides approximately 80 percent of the streamflow in the West. The Natural Resources and Conservation Service (NRCS), in partnership with other federal and state agencies, conducts snow surveys in 12 western states and Alaska. Natural resource data from 1,100 manual snow courses, 660 automated SNOTEL (SNOwpack TELemetry) sites, 575 stream gauges, 310 major reservoirs, and 3,200 climatological observing stations are integrated to create basin and watershed analysis and water supply forecasts using an automated database and forecasting system. The data collection process is a partnership that includes the NRCS, federal, state, and local agencies, power companies, irrigation districts, and the Provincial Government of British Columbia. The SNOTEL network collects the vast majority of the critical climate data used to monitor water yields from high elevation snowpacks in the mountainous West.

The SNOTEL data collection system plays a key role in drought assessment and during flooding and other life threatening snow related events. The SNOTEL network provides hourly precipitation, temperature and snowpack depletion information that improves current flood stage forecasts. This enables emergency management agencies to most effectively mitigate drought and flood damages. Additionally, the focus of program activities is on improving measurement precision, reliability, data quality, increased sampling frequency, timely data availability in support of water supply forecast services. SNOTEL data are available from the NWCC Homepage: **http://www.wcc.nrcs.usda.gov/water/w_data.html**

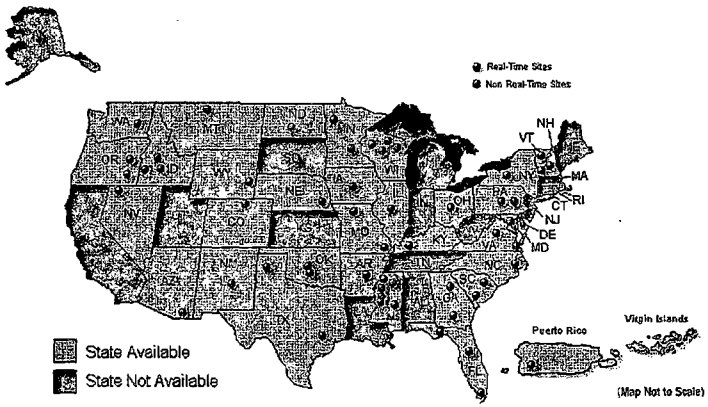


Figure 1. NRCS SCAN Network as of October 15, 2001

Soil Climate Analysis Network (SCAN) and Global Climate Change Activities: SCAN is designed to support drought monitoring, flood potential, risk assessment and crop productivity models, and a wide variety of NRCS Global Change activities. During the past year, NWCC expanded SCAN from 42 to 54 remote soil-climate stations operating in 32 states (an increase of three states) with the help of both federal and non-federal partnership funding. SCAN uses proven SNOTEL meteor-burst communication technology and the NRCS data management infrastructure to provide users with near real-time climate and soil moisture and soil temperature information via the Internet. SCAN data is available through the NWCC Homepage: http://www.wcc.nrcs.usda.gov/scan/. Over 44,000 home page accesses for SCAN data were logged during FY-2001. SCAN provides data required for soils research, water balance, watershed planning, drought and flood risk assessment, global climate change modeling, and weather forecast modeling.

The Nature Conservancy of Minnesota provided funds to install and support a new SCAN site in FY 2001. The automated site provides much needed information to assist The Nature Conservancy in monitoring the wetland area and support enhanced natural resource and watershed planning activities. Two additional SCAN sites were installed in Missouri with funding coming from the USDA - World Agricultural Outlook Board and in corporation with the Missouri State Climatologist. The data from these sites will supply real-time information to support the Missouri Mesonet network and will support land and water resource management. A cooperative agreement with the ARS National Soil Tilth Laboratory in Ames, Iowa, resulted in the installation of a SCAN site located on Iowa State University Agriculture Research Farm. This site will supply climate information to support ongoing ARS and University research. It will also benefit the local farmers with soil-climate information. The SCAN network is expected to include comprehensive nationwide coverage when fully deployed and will allow the NRCS and partners to better manage the natural resources of the United States.

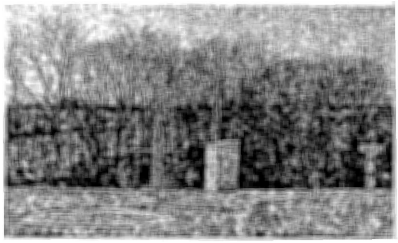


Figure 2. SCAN Site, Mahantango Creek, Pennsylvania

Water Supply Activities: Water supply forecasts are produced annually, January through June, in partnership with the National Weather Service (NWS). During the 2001 forecast season, the NRCS National Water and Climate Center issued 9,007 seasonal water supply forecasts for 709 locations in 12 Western states supporting water resource management activities. Over 17,000 users accessed these forecasts during water year 2001. The water supply forecasts are coordinated and peer reviewed by a number of federal agencies and cooperators to ensure highest quality and accuracy. Major cooperators include the Bureau of Reclamation, Corps of Engineers, Bonneville Power Authority, state and local agencies, power utilities, irrigation districts, Tribal Nations, the Provincial Government of British Columbia, Alberta, the Yukon Territory and Mexico. Agricultural, municipal, industrial, hydropower, and recreational water users are the primary recipients of these forecasts, and because of recent federal legislation related to endangered species protection, an increasing number of fish and wildlife management activities.

Water supply forecasts: (1) help irrigators make the most effective use of limited water supplies for agricultural production needs, (2) assist the federal government in administering international water treaties with Canada and Mexico, (3) assist state governments in managing intrastate streams and interstate water compacts, (4) assist municipalities in planning the early management of anticipated water supplies and drought mitigation, (5) are used in the operation of reservoirs to satisfy multiple use demands, (6) are used to mitigate flood damages in levied areas and downstream from reservoirs (7) support fish and wildlife management activities associated with species protection legislation.

Klamath Basin Water Supply: The Klamath Basin received nationwide attention in 2001 because a severe water shortage created sharp water-use conflicts. A 50 percent of average early January snowpack in the Upper Klamath Lake resulted in water supply forecast of 70 percent of average. This alerted the Bureau of Reclamation (BOR), Fish and Wildlife Service, and the National Marine Fisheries Service that this would be an unusually low water supply year. Bi-monthly forecasts were issued to assess the critical situation in the basin involving two endangered fish species, endangered Bald Eagles, and irrigation needs of farmers in the area. On April 1, the snowpack was 35 percent of average, which was below the minimum of record. Based on the April 1 water supply forecast, the BOR implemented restrictions for irrigation water drawn from Upper Klamath Lake on April 6th, 2001. Significant rainfall events in mid-May improved the Upper Klamath inflows, with the final observed April to September volume recorded at 231,000 acre-feet, 45 percent of average, the fifth lowest on record.

Columbia Basin Water Supply Forecasts: The scarcity of snowpack and seasonal precipitation resulted in near record low streamflow forecast volumes for much of the West as shown in Figure 3. For the Pacific Northwest, water year 2001 streamflow took its place among one of the lowest since modern records began in 1929. For the Columbia Basin, the most recent low runoff year was recorded in 1977, when 54.09 million acre-feet of water were observed at The Dalles, Oregon. The joint June 1, 2001 NWS-NRCS Columbia Basin April-September water supply volume forecast for The Dalles was near the record low of 52.00 million acre-feet, 53 percent of average. The provisional observed volume ended up to be 56.25

million acre-feet, which was slightly above the volume observed in 1977. The water supply forecasts issued by the NRCS were critical in planning electrical power generation transfers to electricity-short California and for seasonal fish passage operations. For the rest of the rest of the West, streamflows of less than 70 percent of average were forecast and eventually verified for most of California, northern Nevada, southwest, central and eastern Oregon, nearly all of Washington, Idaho, southern British Columbia, Canada, Montana, Wyoming northwestern Colorado, and most of Utah.

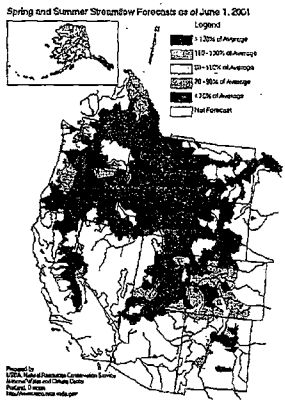


Figure 3. June 1, 2001 Water Supply Forecast

Drought Monitor Activities: During 2001, extreme drought affected many areas of the U.S., especially the Pacific Northwest. The NWCC provided a variety of climate and water supply products that were used to assess Western drought. The SNOTEL network provided daily assessments of record low snowpacks which, when combined with other information, proved critical to the production of a web-based weekly drought product as shown in Figure 4.

Tribal Nation Activities: The NWCC continues to partner with the Arizona State Office and the Navajo Nation in providing the water and climate information needed to generate seasonal water supply forecasts.

Spatial Hydrologic Modeling: The NWCC continued the development of a spatial hydrologic model that incorporates digital soils, vegetation, and topographic data. It contains an energy-budget snow simulation model as well as a water balance and streamflow simulation model. The test area is the Boise River Basin, Idaho. Spatial modeling provides improved representation of physical processes and knowledge of runoff source areas. This will support improvements in snowmelt and streamflow forecasting as well as improving the hydrologic basis of water quality modeling.

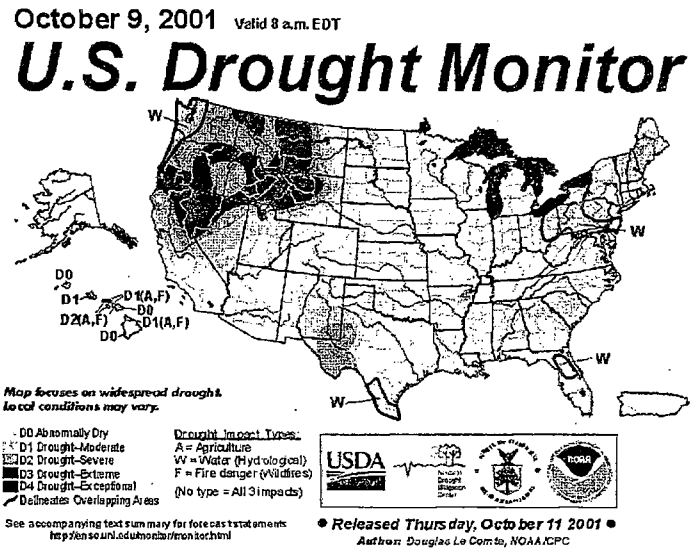


Figure 4. U.S. Drought Monitor

Climate Activities:

Climate Mapping: GIS compatible digital maps of monthly and annual precipitation and temperature for the continental U.S., are now available from the NWCC climate mapping URL http://www.wcc.nrcs.usda.gov/water/climate/prism/prism.html. Maps for Alaska, Hawaii and the Pacific Basin Islands will be posted soon. An example for Pohnpei is shown in Figure 5. The maps were derived using the PRISM modeling system developed by the Spatial Climate Analysis Service located at Oregon State University. The digital datasets are stored at the National Cartographic and Geospatial Center (NCGC) which is a federal National Spatial Data Infrastructure node. More than 100,000 webpage hits and over 10,000 datasets were downloaded through the climate mapping webpage at NCGC in FY-2001.

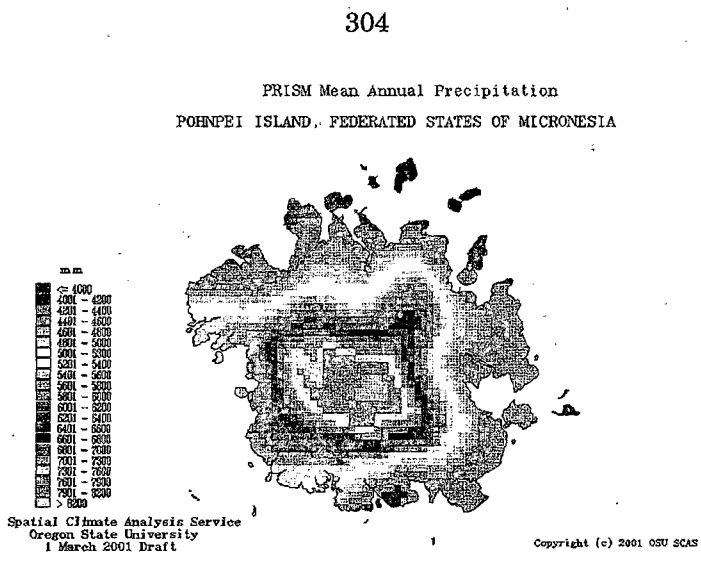


Figure 5. Pohnpei Island PRISM-derived Mean Annual Precipitation Map - Raster Version

Unified Climate Access Network (UCAN): UCAN is an Internet-based climate delivery system that provides the NRCS, USDA and partners with Internet access to thousands of climate datasets collected by scores of federal, state, and county networks: http://climod.nrcc.cornell.edu. The system has been tested and is now in use at NRCS State Offices nationwide. To support agricultural modeling efforts, UCAN will also offer serially complete (no missing data values) temperature and precipitation data for approximately 11,000 climate stations nationwide.

Wetlands Support: The NWCC Homepage was updated to provide the most recent climate data for wetland support nationwide. During FY-2001 over 1,000 accesses were logged on the NWCC homepage as users gathered critical information for wetlands determinations:
http://www.wcc.nrcs.usda.gov/water/w_clim.html

Other Climate Support Activities: Over 30 climate narratives for NRCS Soil Survey Manuscripts were transmitted to NRCS field offices. County-level revised potential erosivity maps for the Revised Universal Soil Loss Equation (RUSLE) are complete and will be distributed to all NRCS offices in FY-2002. The weather generator model (GEM) has been reformulated, and parameter sets for more than 250 locations nationwide are now complete. GEM is being integrated with several NRCS models, including AnnAGNPS, and WEPS. Soil climate maps are now being revised using high resolution, more accurate climate coverage's using PRISM-derived climate information. These include mean annual soil temperature and precipitation efficiency maps, used by NRCS soil survey offices nationwide.

Information Systems: The database and forecast system maintained by Information Systems support a wide variety of software that, in addition to water supply forecasting, provide water and climate data analyses and products used by a wide variety of NRCS disciplines. These products support water resource management and related natural resource conservation activities at NRCS national, State, and field offices.

During 2001, more than 289,458 separate visits were made to the NWCC website, more than 4.9 million "hits" to obtain information. In addition, users of our system downloaded more than 1.2 million data files, a 35 percent increase from the previous year. More than 90 percent of these accesses were made by entities outside of NRCS (other Federal agencies and cooperators) who rely on the NRCS-collected data and products for a multitude of natural resource management activities.

During 2001, NWCC continued to support delivery of hourly SNOTEL and soil moisture data for numerous sites throughout the Nation. The NWCC web-based data editing system was enhanced to improve the quality control of critical SNOTEL data. The NWCC Homepage continues to improve with the addition of map-based SNOTEL data selection screens. In addition, NWCC successfully modified its homepage to achieve 508-handicap accessibility standards recognition. NWCC continued to support an on-line water and climate database that is accessible to the NRCS and cooperators.

This year IST initiated work on enhancing the security of our Information Systems. A plan was developed to pilot a public key infrastructure (PKI) initiative. A significant amount of our effort was devoted to developing tools and necessary supportive datasets for the decadal update of hydroclimatic averages required for water supply forecasting. A major accomplishment this year was to transition our SNOTEL data collection computer to a high-speed dual processor server to support the increasing demands for data collection.

Current Water Science and Technology Activities:

The water science and technology function is administratively co-located with the snow survey, water supply forecasting and climate information functions. Water science and technology covers the development of technical tools and information to solve resource issues related to water quality, water management, water resources planning, and ecological restoration of aquatic resources including streams, lakes, and wetlands.

Animal Waste Management: A computer application to help planners and engineers design animal waste treatment and storage facilities as developed by NWCC. Released in February, it is being used widely by NRCS staff and private consultants to design facilities for animal feeding operations.

Nutrient and Pest Management Training: The NWCC participated in the development of the new Nutrient and Pest Management Considerations in Conservation Planning NEDC course. This intensive training course uses a combination of self study and facilitated classroom training to instruct field level personnel in how to develop the nutrient and pest management components of conservation plans. Training was provided to state facilitators during six regional training sessions this spring. Two hundred and eighty two students enrolled in the course during the period June 27 through September 19.

Irrigation: A Crop Water Irrigation Water Requirements computer model has been enhanced with Penman Monteith ET prediction technology. This model will assist states in preparing localized crop water use information to supplement the irrigation guide released in 1998. The initial release version of AgPipe, a Windows pipeline design program, has been updated and released based on input from the field. AgPipe is currently undergoing additional testing for use in livestock and irrigation system planning and design. The Irrigation Web page has been updated. Additions include water management model information, electronic Soil Moisture By Feel Method brochures, an electronic version of the National Irrigation Guide and an expanded irrigation photo library. The site continues to be in the upper 99th percentile of receiving irrigation search hits. A Windows Alpha version of the WNTC Farm Irrigation Rating Index has been released for evaluation and ultimate replacement of the Farm Irrigation Rating System (FIRS) DOS model. The FIRS model is widely used to document impacts from irrigation modifications.

Wetlands/Drainage: Enhancements to the DRAINMOD model have been made to simulate the nitrogen transformation process on wet soils. When funding is available, verification of the N-transformation algorithms will be completed. The current version of DRAINMOD continues to be available to field

offices for the evaluation of agricultural drainage systems and for wetland analysis related to the duration of saturation. Additionally, a routine to estimate soil properties using the Rosetta model (ARS-Riverside) has been developed and will be available in the next program update.

Field and Wetland Hydrology: The Windows version of the SPAW model provides a field scale water budget analysis tool for field office use. SPAW provides a daily accounting of water budget components, including runoff, deep percolation, evapotranspiration, and soil moisture accounting. A pond module within SPAW provides pond inflow/outflow budgets based on runoff and percolation from the water budget analyses. The pond budget also provides a ponding frequency analysis that is a useful wetland hydrology tool. Training in the use and application of SPAW is available upon request.

Pest management: Implementation of new NRCS Pest Management Policy depends on application of a field level pesticide environmental risk screening program called the Windows Pesticide Screening Tool (WIN-PST). This program was released last year and is being used extensively by some states. It will become widely used as the new policy is implemented over the next two years. NRCS field office planners, crop consultants, certified crop advisors, and other partners will depend on the tool to develop the pest management components of conservation plans. WIN-PST evaluates the potential for pesticides to move away from the area of application in water and sediment and affect humans and aquatic life. It goes beyond previous screening tools to consider the influence of climate, irrigation, residue management, and pesticide application method and rate. Extensive pesticide properties data used in WIN-PST are being maintained by NRCS. WIN-PST results are based in part on continued implementation of NAPRA (National Agricultural Pesticides Risk Analysis). NAPRA results are more accurate than WIN-PST, but its implementation is resource-intensive, so generalized NAPRA results will continue to be delivered through WIN-PST. In addition, an effort to design an enhanced future version of WIN-PST has begun with input from current WIN-PST users nationwide.

Hydrology and Hydraulics: An updated version of AGNPS (Agricultural Non-Point Source Pollutant Loading Model) was released. In cooperation with the National Cartographic and Geospatial Center, an ARC-VIEW GIS interface to AGNPS was developed. It derives AGNPS input data from digital elevation models, digital soil data (SSURGO and/or STATSGO), field boundary, and land use spatial layers. GIS application makes AGNPS a powerful tool for watershed-scale analysis. The program SITES (developed with cooperation from ARS) is rapidly being adopted by state agencies responsible for dam safety and will be used extensively to evaluate aging PL-566 structures. The agency's hydrology tools have been developed for the Windows environment. TR-20 (watershed hydrology) has been released in a Beta version and TR-55 (urban hydrology) has been released in a Alpha version for testing. The Corps of Engineers HEC-RAS computer program for water surface profiles and stream analysis has been adopted by NRCS and is supported through a team of NRCS engineers. Support consists of providing information, training, and technical advice to users.

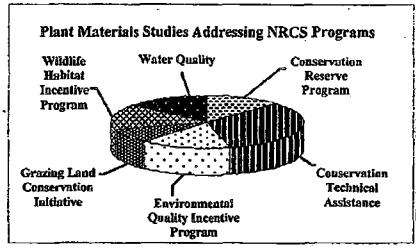
Stream Assessment: "A Procedure to Estimate the Response of Aquatic Systems to Changes in Phosphorous and Nitrogen Impacts" was released by NWCC. The document provides a simple procedure to assess the sensitivity of a waterbody to nutrient pollution. Work on Part 2 of a national handbook on water quality monitoring was completed and should be released early next year.

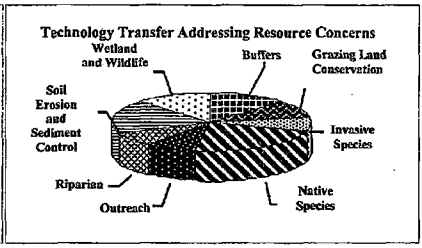
PLANT MATERIALS CENTERS

Current Activities: Plant Materials Centers (PMCs) are operated by, or receive technical assistance from NRCS, for developing conservation systems using plant materials. The process includes: (a) developing techniques for the effective use of plants and (b) assembling, testing, selecting, releasing, and providing for the commercial production of plants to protect and conserve our natural resources. The Plant Materials Program serves to provide effective vegetative solutions to conservation problems.

Plant Materials work is an important element of most NRCS programs. PMCs provide essential technology for critical habitats, environmental concerns, management practices, and key farm and ranch programs.

The diagrams below illustrate the scope of plant materials work along with the type of resource concerns that the program addresses.





The priority of plant materials development is determined by the objectives and priorities of the NRCS Strategic Plan, recent Strategic Initiatives, and specific conservation problems within each PMC's service area. Special emphasis is currently being placed on: (1) protecting grazing and other natural resources (range, pasture, and forestland) by developing productive, longer-lived native varieties, and managing desirable native plants to control the spread of noxious weeds; (2) controlling introduced weeds and restoring areas where weeds have invaded; (3) reducing erosion from cropland by selecting cover crops and developing systems for their use to provide winter cover on low residue crops; (4) improving and protecting the quality of surface and groundwater by developing filter strips between cropland and streams, developing the plants and technology for bio-terraces, and developing artificial wetlands for removing pollutants from waste water; (5) creating, restoring, or managing wetlands; (6) protecting upland riparian areas and coastal shorelines; (7) developing plants and systems for their use that support low input sustainable agriculture, such as replacing erosive annual forage crops with perennial plants for use on highly erodible cropland; and (8) accelerating commercial production of previously released conservation plants in high demand for use in conservation programs. Development and use of plant technology is becoming a more critical component of an holistic approach by NRCS.

Adjustments in PMC locations and service areas have been made to serve our clients better and build partnerships with other agencies. Improvement in the automation of data gathering is progressing and will result in faster technology transfer to the end user of plant materials results. Plant information has now been placed on the Internet to make it more available. A primary objective of this effort is to achieve a computer environment with PMCs being more compatible with field offices. The work at the centers includes cooperation with other Federal and State agencies, agriculture experiment stations, State departments of natural resources, conservation, wildlife, and seed and nursery associations to encourage production and promotion of improved plants. PMCs and the National Park Service continued an excellent cooperative effort to revegetate sites disturbed in parks with local native plant materials used for the disturbed site. This effort has been used as a prototype for developing comparable projects with the Department of Defense.

Comparative Plant Testing: During FY 2001, over 13,000 plant collections were being comparatively evaluated in more than 72,000 plots by the PMCs. These plants were being evaluated for protecting range, pasture and forest resources; cropland cover crops; wetlands; and stabilizing critical areas such as sand dunes, streambanks, and shorelines, road cuts and fills, utility corridors and surface mined lands; and introducing grass hedges, buffer strips, replacement of annual forage plants with perennials, and wind

breaks to protect cropland. Current emphasis is being placed on the collection and evaluation of native plant materials for these uses. The final evaluation of new plants and cultural methods is made on farms and ranches in conservation districts under actual use conditions. There are now about 1,300 such tests underway.

Plant Releases for Commercial Production: NRCS, over the years, has released about 500 different varieties of conservation plants to commercial producers. Some of these varieties have been replaced with superior plants. Currently, about 280 improved varieties are in commercial production and used in conservation programs. They have a market value of more than $114 million. Twenty-four new plants were released during fiscal year 2001. There were two tested class releases, seven selected class releases, and sixteen source-identified class releases. Twenty-two of the releases are native to the United States. These releases are identified in the following table:

PLANT MATERIAL CENTER RELEASES IN FISCAL YEAR 2001

PMC	Release Name	Common Name	Anticipated Use
ID	Northern Cold Desert Germplasm	Winterfat	rangeland restoration, erosion control, and for livestock and big-game browse in arid to semi-arid and alkaline/saline areas
ID	Snake River Plains Germplasm	fourwing saltbush	rangeland restoration, erosion control, fire rehabilitation, and for livestock and big-game browse in arid to semi-arid and alkaline/saline areas
LA	Caminada Germplasm	Seaoats	coastal restoration for beach dune and barrier island stabilization
MI	Southlow Michigan Germplasm	big bluestem	wildlife food and cover, erosion control, restoring native plant environments, and increasing species diversity
MI	Southlow Michigan Germplasm	switchgrass	wildlife food and cover, erosion control, restoring native plant environments, and increasing species diversity
MI	Southlow Michigan Germplasm	little bluestem	wildlife food and cover, erosion control, restoring native plant environments, and increasing species diversity
MI	Southlow Michigan Germplasm	Indiangrass	wildlife food and cover, erosion control, restoring native plant environments, and increasing species diversity
MO	Northern Iowa Germplasm	big bluestem	roadside plantings, prairie restoration and enhancement, landscaping, and for increasing species diversity
MO	Northern Iowa Germplasm	roundhead lespedeza	roadside plantings, prairie restoration and enhancement, landscaping, and for increasing species diversity
MO	Northern Iowa Germplasm	tall dropseed	roadside plantings and prairie restoration and enhancement
MO	Northern Missouri Germplasm	prairie coreopsis	roadside plantings and prairie restoration and enhancement
MO	Northern Missouri Germplasm	thickspike gayfeather	roadside plantings and prairie restoration and enhancement
MO	Northern Missouri Germplasm	tall dropseed	roadside plantings and prairie restoration and enhancement
MO	Southern Iowa Germplasm	Thickspike gayfeather	roadside plantings and prairie restoration and enhancement
MO	Western Missouri Germplasm	prairie coreopsis	roadside plantings and prairie restoration and enhancement

PMC	Release Name	Common Name	Anticipated Use
MO	Western Missouri Germplasm	thickspike gayfeather	roadside planting and prairie restoration and enhancement
MS	Morton Germplasm	kori-yanagi willow	stream bank control, riparian buffers, urban conservation, basket making, and wildlife habitat
MT	Foothills Germplasm	Canada bluegrass	erosion control, critical area plantings, recreation areas, low-maintenance landscapes, fire rehabilitation, and for forage and grazing
ND	Itasca Germplasm	little bluestem	component in native range seedings, wildlife plantings, fire rehabilitation, and prairie landscaping
NM	Grant Germplasm	cane bluestem	erosion control, wildlife habitat, restoration of disturbed sites, forage, rangeland seedings, fire rehabilitation, and xeriscaping
NM	Tusas Germplasm	bottlebrush squirreltail	erosion control, wildlife habitat, restoration of disturbed sites, fire restoration seedings, and rangeland seedings
NY	Glacial Lake Albany Germplasm	butterfly weed	butterfly habitat restoration or enhancement, landscaping, dry site meadows, and roadside plantings
NY	Glacial Lake Albany Germplasm	wild lupine	butterfly habitat restoration or enhancement, landscaping, dry site meadows, and roadside plantings
OR	Baskett Slough Germplasm	California oatgrass	erosion control, critical area stabilization, grassland and prairie restoration, rangeland and woodland plantings, fire rehabilitation, and wildlife habitat

Technology Products: Plant releases are important technology products developed by Plant Materials Centers. In addition, other products, such as written information and oral presentations, serve to transfer new information to end-users. Accomplishments since last year's report are summarized below:

NRCS Plant Materials Program
Performance Accomplishments - All Plant Centers

Major Item Measured	Sub-item Measured	# Units
Plant Releases	Cultivar releases	0
	Selected/tested releases	8
	Source Identified releases	16
	Total for sub-items within major item	24
Written Technology Transfer	Technical Notes	51
	Stand alone publications	17
	Plant guides, fact sheets, & brochures	101
	Popular articles	187
	Refereed publications	4
	Published symposia, posters	96
	Total for sub-items within major item	456
Oral Technology Transfer	Training Sessions	112
	Tours presented	164
	Local presentations	296
	Regional presentations	82
	National presentations	20
	International presentations	11
	Total for sub-items within major item	685

Plants for Solving Conservation Problems: The Plant Materials Program places emphasis on using plants to solve conservation problems. A few representative examples will illustrate the scope of this effort.

Weeds. Exotic, noxious weeds pose a serious threat to the integrity and health of natural ecosystems throughout the country. Plant centers have responded to this threat with 54 studies nationwide that strive to control or suppress weeds and 146 studies that involve finding suitable replacements for invasive species once control is achieved. Centers in Washington, Montana, Florida, and New Mexico have worked with problem species such as yellow starthistle, cheatgrass, knapweed, Canada thistle, and cogongrass.

Plants for carbon sequestration and biofuels. As energy costs have grown and concerns for global climatic changes have increased, the Plant Materials Program has responded by looking at new applications for native plants. Plants with greater above- and below-ground biomass show potential for sequestering more carbon and reducing the amount of atmospheric carbon dioxide, a greenhouse gas with known affects on global climate. At the same time, plants with more biomass show promise for use as an alternative fuel. Plant centers in Michigan, New York, Georgia, Kansas, Texas, and Mississippi have been actively involved in this work.

Wildlife. Resource conservation and land management practices place emphasis on creating favorable habitat for wildlife species along with providing suitable forage for their use. The Plant Materials Program has responded to this need by releasing 11 plants that benefit wildlife. During the past year centers in Idaho, Michigan, Mississippi, and New Mexico have been active in this regard.

Wetland restoration. Wetlands continue to be an important environmental concern, with a critical need for plant materials suited to their restoration and maintenance. Plant centers in Idaho, Louisiana, and North Dakota have continued to work on this problem.

Range, pasture, and forest grazing lands. Protecting range, pasture, and forest grazing lands and improving forage quality and quantity continue to receive special emphasis, particularly on low fertility, shallow, saline, or alkaline soils. Native species are receiving primary attention.

Fire Rehabilitation. Rehabilitation of land impacted by wildfire presents a major challenge to range, forest and wildlife specialists throughout the country. In 2000, there were 92,000 fires on 7.4 million acres. The plant materials program provides materials and technology that enable improved rehabilitation for both private and public lands.

Plant Materials Homepage: The Plant Materials Program continues to maintain its homepage to provide useful, state-of-the-art information on plants. The homepage relies on several inter-linked databases to provide information electronically. Examples of information available on the homepage include: plant fact sheets; sources of releases, cultivars, or other plant materials (i.e., from vendors); publications; and information on individual plant centers. The homepage address is **http://plant-materials.nrcs.usda.gov**.

Twenty-two PMCs are operated entirely by NRCS and four are operated in cooperation with others. They are:

Operated by NRCS:

Tucson, Arizona
Booneville, Arkansas
Lockeford, California
Brooksville, Florida
Americus, Georgia
Molokai, Hawaii
Coffeeville, Mississippi
Elsberry, Missouri
Bridger, Montana
Cape May, New Jersey
Big Flats, New York
Corvallis, Oregon

Aberdeen, Idaho
Manhattan, Kansas
Golden Meadow, Louisiana
Beltsville, Maryland
East Lansing, Michigan
Kingsville, Texas
Knox City, Texas
Nacogdoches, Texas
Pullman, Washington
Alderson, West Virginia

Operated in conjunction with Cooperating Agencies, Technical Assistance and Funding by NRCS:

Los Lunas, New Mexico (New Mexico State University)
Bismarck, North Dakota (North Dakota Association of SCD's)
Meeker, Colorado (White River and Douglas Creek Soil Conservation Districts, with partial funding from NRCS)

Other:

In addition to the 25 centers listed above, the State of Alaska operates a PMC at Palmer. NRCS provides technical assistance to this center through a cooperative agreement.

NATURAL RESOURCES CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

[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 approved August 4, 1954 (16 U.S.C. 1001-1009), $10,960,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $110,000 shall be available for employment under 5 U.S.C. 3109.]

The change in language proposes deletion of funding for the program.

NATURAL RESOURCES CONSERVATION SERVICE

WATERSHED SURVEYS AND PLANNING

Appropriations Act, 2002		$10,960,000
Budget Estimate, 2003		--
Decrease in Appropriation		-10,960,000
Adjustments in 2002:		
Appropriations Act, 2002	$10,960,000	
Transfer in Estimates for Retirement/Health Pension Benefits a/	612,000	
Adjusted base for 2002		11,572,000
Budget Estimate, 2003		--
Decrease below adjusted 2002		-11,572,000

a/ Estimates for Retirement/Health Pension Benefits are included in the budgets of agencies as a one time shift of funds. On a comparable basis, the full annual cost of the activity is $635,000 for 2003.

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2002 Estimated	Pay Costs	Other Changes	2003 Estimated
Watershed Surveys And Planning	$11,572,000	--	-$11,572,000	--

Project Statement
(On basis of adjusted appropriation)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
1. Watershed Surveys and Planning	$11,221,067	112	$11,572,000	111	-$11,572,000	--	--
2. American Heritage Rivers	136,000	1	--	--	--	--	--
Unobligated Balance	69,933	--	--	--	--	--	--
Total Available or Estimate	11,427,000	113	11,572,000	111	-11,572,000	--	--
Retirement/Health Pension Benefits	-583,000	--	-612,000	--			
Rescission	+24,000	--	--	--			
Total, Appropriation	10,868,000	113	10,960,000	111			

Project Statement
(On basis of adjusted available funds)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
Direct Obligations:							
1. Watershed Surveys and Planning	$11,221,067	112	$11,572,000	111	-$11,572,000	--	--
2. American Heritage Rivers	136,000	1	--	--	--	--	--
Total, Direct Obligations	11,357,067	113	11,572,000	111	-11,572,000	--	--
Retirement/Health Pension Benefits	(-583,000)	(--)	(-612,000)	(--)	(+612,000)	--	--
Unobligated balance Lapsing	(+69,933)	(--)	(--)	(--)	(--)	--	--
Adjusted Appropriation	(10,844,000)	113	(10,960,000)	111	(-10,960,000)	--	--
Reimbursable oblig	356,994	5	1,025,000	5	-1,025,000	--	--
Total Obligational Auth	11,714,061	118	12,597,000	116	-12,597,000	--	--

SOURCES OF REIMBURSEMENTS

	2001 Actual	2002 Estimated	Increase or Decrease	2003 Estimated
Within USDA	--	$50,000	-$50,000	--
Other Federal Sources	--	50,000	-50,000	--
Non-Federal Sources	$356,994	925,000	-925,000	--
Total reimbursements	356,994	1,025,000	-1,025,000	--

OUTLAYS

	2001 Actual	2002 Estimated	Increase or Decrease	2003 Estimated
Watershed Surveys and Planning	$11,333,231	$11,867,000	-$10,223,000	$1,644,000

Justification of Increases and Decreases

(1) A decrease of $11,572,000 for Watershed Surveys and Planning ($11,572,000 available in 2002) to terminate the program.

This program is proposed for termination because its benefits are narrow in scope, have highly localized benefits, and do not effectively achieve broader performance measures such as improved water quality and economical flood damage mitigation. In addition, Federal financial support for these activities can no longer be justified in view of the increasing role that non-Federal government agencies, including State, local and tribal governments, as well as private organizations, are playing in the delivery of both financial and technical assistance.

NATURAL RESOURCES CONSERVATION SERVICE
Geographic Breakdown of Obligations and Staff Years
2001 Actual and Estimated 2002 and 2003
WATERSHED SURVEYS AND PLANNING

	2001		2002		2003	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
ALABAMA	$59,359	1	$67,500	1	--	--
ALASKA	145,065	2	141,000	2	--	--
ARIZONA	281,274	3	251,000	2	--	--
ARKANSAS	83,859	1	136,000	2	--	--
CALIFORNIA	1,041,452	11	994,300	8	--	--
COLORADO	128,159	1	155,500	1	--	--
CONNECTICUT	158,019	2	151,000	2	--	--
DELAWARE	71,099	1	75,500	1	--	--
FLORIDA	118,460	1	181,000	2	--	--
GEORGIA	103,595	1	105,500	1	--	--
HAWAII	49,200	--	189,100	2	--	--
IDAHO	93,580	1	161,000	2	--	--
ILLINOIS	172,707	2	151,000	2	--	--
INDIANA	123,259	1	122,400	1	--	--
IOWA	128,419	2	121,000	2	--	--
KANSAS	162,917	2	148,000	2	--	--
KENTUCKY	138,319	2	78,500	1	--	--
LOUISIANA	108,505	1	120,500	1	--	--
MAINE	97,652	1	311,000	2	--	--
MARYLAND	115,790	1	125,500	1	--	--
MASSACHUSETTS	83,837	1	93,000	1	--	--
MICHIGAN	167,912	2	170,000	2	--	--
MINNESOTA	177,459	1	180,500	1	--	--
MISSISSIPPI	77,441	1	710,100	7	--	--
MISSOURI	301,237	4	276,500	3	--	--
MONTANA	177,605	2	221,000	2	--	--
NEBRASKA	207,219	2	231,000	2	--	--
NEVADA	103,658	1	110,600	1	--	--
NEW HAMPSHIRE	78,959	1	70,500	1	--	--
NEW JERSEY	158,021	2	527,700	5	--	--
NEW MEXICO	45,559	1	55,500	1	--	--
NEW YORK	207,818	2	211,000	2	--	--
NORTH CAROLINA	24,600	--	25,000	--	--	--
NORTH DAKOTA	35,400	--	44,000	--	--	--
OHIO	103,659	1	105,500	1	--	--
OKLAHOMA	271,636	4	307,100	4	--	--
OREGON	187,477	2	311,000	2	--	--
PACIFIC BASIN	83,851	1	80,500	1	--	--
PENNSYLVANIA	185,221	2	125,500	1	--	--
PUERTO RICO	--	--	261,000	2	--	--
RHODE ISLAND	54,358	1	544,300	8	--	--
SOUTH CAROLINA	182,967	2	231,000	2	--	--
SOUTH DAKOTA	74,059	1	131,000	2	--	--

	2001		2002		2003	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
TENNESSEE	360,496	5	316,500	3	--	--
TEXAS	342,537	4	344,600	3	--	--
UTAH	103,659	1	30,000	--	--	--
VERMONT	182,619	2	241,000	2	--	--
VIRGINIA	187,490	2	186,000	2	--	--
WASHINGTON	167,500	2	211,000	2	--	--
WEST VIRGINIA	745,404	9	683,300	6	--	--
WISCONSIN	--	--	25,000	--	--	--
WYOMING	158,012	2	244,000	2	--	--
NATIONAL HDQTR	1,783,097	7	456,000	2	--	--
CNTRS/INSTITUTES	793,219	6	--	--	--	--
EAST REGION	55,155	1	--	--	--	--
NO. PLAINS REGION	107,237	1	--	--	--	--
UNDISTRIBUTED	--	--	25,000	--	--	--
Total Obligations/Est.	$11,357,067	113	$11,572,000	111	--	--

NATURAL RESOURCES CONSERVATION SERVICE
WATERSHED SURVEYS AND PLANNING

STATUS OF PROGRAM

The Watershed Protection and Flood Prevention Act, Public Law 83-566 (PL-566), established the Small Watershed Program (16 U.S.C. 1001-1011). Section 6 of the Act provided for the establishment of the River Basin Surveys and Investigation Program (16 U.S.C. 1006-1009). A separate appropriation funded each of the two programs under Section 6 until fiscal year 1996 when they were combined into a single appropriation, Watershed Surveys and Planning.

PL-566 provides the authority for the Natural Resources Conservation Service (NRCS) to cooperate with other Federal, State and local agencies in making investigations and surveys of river basins as a basis for the development of coordinated water resource programs. Authorities include cooperative river basin studies, floodplain management studies, floodplain insurance studies, and interagency coordination and program formulation. Reports of the investigations and surveys serve as guides for the development of water, land, and related resources in agricultural, rural, and urban areas within upstream watershed settings. They also serve as a basis for coordination with major river systems and other phases of water resource management and development.

PL-566 also provides for watershed planning activities that are needed to conserve, distribute, develop, protect, restore, and use water. Plans include conservation land treatment needed to conserve and protect land and related resources. The watershed planning work of NRCS consists of assisting sponsoring local organizations in developing plans on watersheds. The water quality, flooding, water and land management, and sedimentation problems in a watershed are described along with proposed improvement options to alleviate problems. The resulting watershed plans form the basis for installing needed works of improvement. Plans include estimated benefits and costs, cost-sharing, operation and maintenance arrangements, and other information necessary to justify the need for Federal assistance in carrying out the plan.

During FY 2001, NRCS obligated $10,774,067 of the available program funds for Watershed Surveys and Planning. This appropriation supports the NRCS strategic plan goal 2, which relates to healthy and productive lands. The NRCS homepage contains current information on programs administered by NRCS including the Watershed Surveys and Planning Program. The website can be found at http://www.ftw.nrcs.usda.gov/programs.html.

COOPERATIVE RIVER BASIN SURVEYS AND FLOODPLAIN MANAGEMENT STUDIES

River basin surveys and floodplain management studies provide local decision-makers with an inventory and analysis of the resource status and trends in their watershed, and the impact this has on the community. It provides them with valuable information allowing them to better understand the cause and effect relationships of changes taking place in their watersheds and communities.

Selected Example of Recent Progress for Cooperative River Basin Study

Thomas Fork River Basin Study, Idaho/Wyoming: The Bear Lake Soil and Water Conservation District requested the study to:

- Reduce sediment and nutrient loading to the Bear River and Bear Lake from sources within the Thomas Fork Watershed;
- Reduce flooding from Thomas Fork and resultant flood damage;
- Reduce excessive erosion on agricultural land and streambanks;
- Protect and enhance fish habitat in the Thomas Fork drainage;
- Restore the riparian zone along the Thomas Fork and its tributaries; and

- Maintain the local economic base by protecting the recreational uses of Bear Lake, the Bear River, and the Thomas Fork and its tributaries.

The study identified the problem to be the accelerated eutrophication of Bear Lake and water quality degradation of the Bear River and Thomas Fork caused in part by the current land management practices within the Thomas Fork Watershed. These practices contributed to sediment, nutrient and bacteria loading from within the Thomas Fork Watershed. Elevated concentrations of sediment, nitrogen, phosphorus and bacteria are delivered to the Bear River and ultimately to Bear Lake, resulting in impairment of the following designated beneficial uses of Thomas Fork and tributaries, the Bear River and Bear Lake. These pollutants have an adverse impact on riparian and aquatic habitat and are impairing the salmonid spawning, cold water biota, and the primary and secondary contact recreation.

In the study, several alternatives were formulated to address the area's problems. A combination of four of them was selected to address the problems. Detailed tables are included in the study that estimate treatment needs and costs for each of the four sub-watersheds of Border, Dry Creek, Pruess, and Raymond Creek. Some of these treatments are application of management and structural practices to reduce sheet and rill erosion, streambank erosion, irrigation induced erosion, and gully erosion, reduce stream channel incisement; contain and filter sediment; reduce nutrients and bacteria from overland flows and improve land management on identified critical acres. These treatments improve water quality in the Thomas Fork Basin, restore riparian corridors, and provide fish habitat.

The study was conducted by NRCS in cooperation with the Idaho Department of Agriculture's Soil Conservation Commission, Idaho Department of Fish and Game, Wyoming Game and Fish Department, Bear Lake Regional Commission, U.S. Forest Service, USDI Bureau of Land Management, and the Idaho Department of Health and Welfare's Division of Environmental Quality.

The Yellowstone River near Big Timber Floodplain Management Study, Montana is an example of recent progress on a Floodplain Management Study: The study was initiated at the request of the Sweet Grass County Commissioners through the Montana Department of Natural Resources and Conservation. The study identified the present and future floodplain and floodway. The hydrologic and hydrology models developed will be used by the county when replacement of existing bridges are planned in the floodplain. The study will be used by Sweet Grass County to meet state and federal requirements regarding floodplain management. The state of Montana will use the study to establish official floodplain and floodway boundaries.

WATERSHED PLAN DEVELOPMENT

Every day, community leaders in rural America are faced with a wide variety of natural resource concerns and sometimes without a clear understanding of the cause and effect, how they interact or what alternatives are available to address them. They may be faced with too much water (floods), too little water (drought), polluted water, erosion and sediment problems, or the lack of recreation opportunities to meet their community needs. The watershed planning assistance, supported by NRCS, provides local units of State government with technical assistance in a locally led, watershed-based approach in dealing with these natural resource problems. NRCS specialists, along with other cooperating Federal and State and local agencies, serve as technical advisors to local decision-makers. Watershed planning addresses the physical, environmental, social, and economic conditions specific to their watershed and community. The plan displays the benefits and opportunities for conservation, development, and management of land, water, and related resources. The watershed planning process includes defining and quantifying the resource problems, analyzing alternatives to solve watershed problems, and allowing the local decision-makers to select the most cost effective, acceptable solution. Watershed planning often requires a broad array of resource information.

In this voluntary, locally led planning effort, the decision-makers are those individuals vested with the authority and responsibility for making the day-to-day decisions regarding the utilization of the

community's resources. Stakeholders, with a locally vested interest in both the problems and the outcomes of the alternatives, also play a key role in the planning process. Federal, State and local agencies are encouraged to participate in and contribute to the planning process. They serve as technical advisors to the local planning group. In addition, they ensure that the planned actions are consistent with other programs and are compatible with local, regional, and national goals and laws. These watershed plans are not Federal plans, but belong to the local sponsors who ultimately have the responsibility for implementation.

NRCS and other participants prepare environmental assessments for each watershed being planned. These assessments are integrated into the planning process at the earliest possible stages. Environmental Impact Statements, when required, are submitted for review and comment to local, State, and Federal agencies. These reports are available to the public and provide an opportunity to obtain formal comments from a wide range of interested parties during the planning process.

NRCS establishes policy and general criteria to be used to develop watershed plans for directing the watershed purposes to reflect USDA's long-term conservation objectives and overall priorities as set forth in the National Conservation Program (NCP). Priorities for FY 2001 included projects that addressed erosion control, water quality, water conservation and flood prevention; and projects that promote rural development, benefit low income and minority groups.

Selected Examples of Recent Progress for Watershed Planning:

The following briefly describes two recently completed watershed plans. These watersheds illustrate the type and scope of concerns being addressed through the Public Law 83-566 projects.

Lower Tillamook Bay Watershed, Oregon: The Lower Tillamook Bay Watershed is located in Tillamook County, Oregon. The Tillamook County Soil and Water Conservation District sponsor the Lower Tillamook Bay Watershed. The watershed is 82,798 acres, with 274 farms, of which 93 are commercial dairies and 62 dairy heifer replacement operations. The watershed contains no cropland and 16,209 acres of hay and pastureland. The watershed includes some of North America's richest timber and dairy land. The Bay supports an oyster industry and some of the best sport salmon fishing and claming on the West Coast. Historically, the Tillamook Bay area economy has been dependent on dairy farming, logging, and commercial fishing.

Years of development and change to the landscape have created several environmental problems that often result in conflict among these diverse uses. For example, high bacterial inputs from agriculture and urban sources have caused closure of the shellfish beds. Commercial oyster harvesting is being closed an estimated 90 days each year. In other cases, important fish and wildlife habitat has been modified to provide for transportation, agriculture, urban development and forestry.

The project focuses on three priority problems:

- Pathogen contamination affecting commercial and recreational shellfish harvest;
- Degradation of an anadromous fishery with several species listed as either threatened or are being considered for listing under the Endangered Species Act; and
- Economic sustainability of the shellfish industry and sport fishing as well as the dairy industry.

The four objectives of the project sponsors to address these problems are:

1. To restore fish and other aquatic species whose populations have declined due to habitat loss or degradation;
2. To improve water quality by reducing bacterial loads and stream temperatures;
3. To reduce excessive sedimentation the degrades habitats and modifies river flows and flooding; and
4. To maintain a healthy, sustainable farm economy.

Long term contracts with over 100 of the landowners and operators located in the watershed will be developed. These contracts would include:

- Nutrient and pest management;
- Waste storage facilities;
- Waste utilization;
- Riparian buffers;
- Wetland restoration and management;
- Fencing and livestock exclusion;
- Streambank protection;
- And many other practices related to hayland, pasture and riparian management.

The estimated cost of this project is $8,026,126, of which $6,388,796 will be covered by Federal financial assistance. The expected benefits include:

- $521,880 average annual benefits;
- Reduced bacterial loads into Tillamook and reduced number of days that the commercial oyster harvesting is closed;
- Reduction of stream temperatures resulting in increases of salmon species in the streams;
- Individual agricultural operations that implement the resource management systems on all land uses will be in compliance with environmental requirements; and
- Reduced odors from manure.

Snake River, Minnesota: The Snake River Watershed is located in northwestern Minnesota in portions of Marshall, Pennington, and Polk Counties. The watershed is 166,400 acres in size and includes the Cities of Alvarado, Viking, and Warren. The City of Warren and Middle River-Snake River Watershed District sponsor the project.

Flooding is a major problem in the watershed causing extensive damages to Warren and the rural farming areas. The 100-year frequency flood causes damage to over 400 residence and businesses in Warren. Floodwaters also cause damage to 8,000 acres of cropland and to transportation facilities. Floods force schools and businesses to close and commit financial resources in protecting and replacing their properties. The area has been flooded 7 times in the last 35 years resulting in $25 million in damage. The average annual monetary damages are over a million dollars.

The project sponsors considered both structural and not structural alternatives. It was determined that the structural alternative maximized the flood protection to the community and maximized net benefits. The selected alternatives consist of an off-channel floodwater retarding structure and 4.1 miles of floodway, by-passing the city. The project will reduce the number of urban properties damaged by the 100-year frequency storm from 403 to 0. The project will eliminate the need for flood insurance in Warren. Average annual agricultural damages downstream of the reservoir will be reduced by 40 percent.

The total project costs is $12,283,000 with the federal share of $8,702,000 and the local communities contributing $3,581,000. The total project benefit is $14,566,700 in present value dollars. For every dollar spent on the project, $1.20 in benefits will accrue.

A Changing Trend In Watershed Planning: Historically, the watershed planning assistance has targeted projects that had a high probability of being implemented with financial assistance through PL-566 Watershed Operations. Although these watershed plans represented decisions made by the sponsoring local organizations, they also centered primarily on activities that were eligible for cost-share primarily under PL-566. Watershed plans are now being developed without consideration of any specific program for implementation.

Financial assistance through PL-566 Watershed Operations is still viewed as an important tool to implement the planned actions. Since 1996, sponsoring local organizations have been encouraged to look to all sources of funding for implementation costs. Other NRCS programs to fund implementation are:

- Environmental Quality Incentives Program;
- Wetlands Reserve Program; and
- Emergency Watershed Protection Program Floodplain Easements.

Alternative funding sources range from local bond issuance, to State sponsored cost-shared programs. Many soil and water conservation districts have gained access to funds for implementation that are administered by other Federal agencies, such as the Environmental Protection Agency; the U.S. Department of the Interior; the U.S. Fish and Wildlife Service; and the Federal Emergency Management Agency.

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

[Watershed and Flood Prevention Operations] Emergency Watershed Protection

1 [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 Protection and Flood Prevention Act approved August 4, 1954 (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, $106,590,000, to remain available until expended (7 U.S.C. 2209b) (of which up to $15,000,000 may be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701 and 16 U.S.C. 1006a)): Provided, That not to exceed $45,514,000 of this appropriation shall be available for technical assistance: Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $200,000 shall be available for employment under 5 U.S.C. 3109: 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.]

2 For necessary expenses to repair damages to the waterways and watersheds, including the purchase of floodplain easements, resulting from natural disasters pursuant to section 403 of the Agricultural Credit Act of 1978, as amended, $111,389,000, to remain available until expended: Provided, That, any balances in "Watershed surveys and planning," "Watershed and flood prevention operations," and "Watershed rehabilitation program" shall be transferred to and merged with this account.

The first change in language proposes deletion of funding for the PL-534 and PL-566 programs. Unobligated funds would continue to be available until expended.

The second change proposes a change in the title of the program and language for the Emergency Watershed Protection program only.

NATURAL RESOURCES CONSERVATION SERVICE

EMERGENCY WATERSHED PROTECTION

	Watersheds Authorized by PL-534	Emergency Watershed Operations	Small Watersheds Authorized by PL-566	Emergency Watershed Protection
Appropriations Act, 2002	$12,533,000	--	$94,057,000	$106,590,000
Budget Estimate, 2003	--	$111,389,000	--	111,389,000
Decrease in Appropriation	-12,533,000	+111,389,000	-94,057,000	+4,799,000

Adjustments in 2002:		
Appropriations Act, 2002	$106,590,000	
Transfer in Estimates for Retirement/Health Pension Benefits for Watershed and Flood Prev. a/	2,909,000	
Transfer in Estimates for Retirement/Health Pension Benefits for Emergency Watershed Pro. b/	1,337,000	
Adjusted base for 2002		110,836,000
Budget Estimate, 2003		--
Decrease below adjusted 2002		-110,836,000

a/ Estimates for Retirement/Health Pension Benefits are included in the budgets of agencies as a one time shift of funds. On a comparable basis, the full annual cost of the activity is $3,021,000 for 2003.

b/ Estimates for Retirement/Health Pension Benefits are included in the budgets of agencies as a one time shift of funds. On a comparable basis, the full annual cost of the activity is $1,389,000 for 2003.

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2002 Estimated	Pay Costs	Other Changes	2003 Estimated
Emergency Watershed Protection:				
1. Watershed oper. auth by PL-534	$12,822,000	--	-$12,822,000	--
2. Emergency watershed prot. oper	1,337,000	--	+110,052,000	$111,389,000
3. Small watershed auth. by PL-566	96,677,000	--	-96,677,000	--
Total Available	110,836,000	--	+553,000	111,389,000

Project Statement
(On basis of adjusted appropriation)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
1. Watershed Operations							
Authorized by PL-534:							
(a) Technical assistance	$4,721,179:	55:	$3,247,000:	49:	-$3,247,000	--:	--
(b) Financial assistance for construction:							
Direct Federal contracting	6,859,897:	--:	9,575,000:	--:	-9,575,000	--:	--
Subtotal, PL-534	11,581,076:	55:	12,822,000:	49:	-12,822,000(1):	--:	--
2. Emergency Watershed Protection Operations:							
(a) Technical assistance	27,978,674:	249:	1,337,000:	77:	+22,052,000	$23,389,000:	225
(b) Financial assistance	118,552,326:	--:	--:	--:	+88,000,000	88,000,000:	--
Total, EWP	146,531,000:	249:	1,337,000:	77:	+110,052,000(2):	111,389,000:	225
3. Small Watersheds							
Authorized by PL-566:							
(a) Technical assistance	42,377,090:	416:	45,176,000:	475:	-45,176,000	--:	--
(b) Financial assistance for construction:							
Direct Federal contracting	48,039,060:	--:	51,501,000:	--:	-51,501,000	--:	--
Subtotal, PL-566	90,416,150:	416:	96,677,000:	475:	-96,677,000(3):	--:	--
Total available or Est	248,528,226:	720:	110,836,000:	601:	+553,000	111,389,000:	225
Retirement/Health Pension Benefits	-4,046,000:	--:	-4,246,000:	--:			
Rescission	+460,774:	--:	--:	--:			
Total, Appropriation	244,943,000:	720:	106,590,000:	601:			

Project Statement
(On basis of adjusted available funds)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
1. Watershed Operations							
Authorized by PL-534:							
(a) Technical assistance	$4,149,537:	55:	$3,892,349:	49:	-$3,892,349:	--:	--
(b) Financial assistance for construction:							
Direct Federal contracting	8,898,829:	--:	9,662,162:	--:	-9,662,162:	--:	--
Subtotal, PL-534	13,048,366:	55:	13,554,511:	49:	-13,554,511:	--:	--
2. Emergency Watershed Protection Operations:							
(a) Technical assistance	24,955,773:	249:	9,055,460:	77:	+14,333,540:	23,389,000:	225
(b) Financial assistance	113,547,678:	--:	73,490,674:	--:	+14,509,326:	88,000,000:	--
Subtotal, EWP	138,503,451:	249:	82,546,134:	77:	+28,842,866:	111,389,000:	225

(On basis of adjusted available funds - continued)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
3. Small Watersheds							
Authorized by PL-566:							
(a) Technical assistance	39,691,908	416	46,664,831	475	-46,664,831	--	--
(b) Financial assistance							
for construction:							
Direct Federal							
contracting	59,451,901	--	53,772,196	--	-53,772,196	--	--
Subtotal, PL-566	99,143,809	416	100,437,027	475	-100,437,027	--	--
Total Direct Obligations	250,695,626	720	196,537,672	601	-85,148,672	111,389,000	225
Retirement/Health							
Pension Benefits	(-4,046,000)	--	(-4,246,000)	--	(+4,246,000)	--	--
Unobligated balance							
brought forward	(-64,545,053)	--	(-85,701,672)	--	(+85,701,672)	--	--
Prior Year Recoveries	(-23,324,019)	--	(--)	--	(--)	--	--
Unobligated balance							
carried forward	(+85,701,672)	--	(--)	--	(--)	--	--
Adjusted Appropriation	(244,482,226)	(720)	(106,590,000)	(601)	(+4,799,000)	(111,389,000)	(225)
Reimbursable obligations:							
1. Watershed operations .							
authorized by PL-534:							
(a) Technical assistance	307,608	2	584,000	2	-584,000	--	--
(b) Financial assistance							
for construction:							
Direct Federal							
contracting	651,145	--	898,000	--	-898,000	--	--
Subtotal, PL-534	958,753	2	1,482,000	2	-1,482,000	--	--
2. Emergency Watershed							
Protection Operations:							
(a) Technical assistance	-9,365	--	24,000	--	--	24,000	--
(b) Financial assistance	3,659,149	--	2,166,000	--	--	2,166,000	--
Subtotal, EWP	3,649,784	--	2,190,000	--	--	2,190,000	--
3. Small Watersheds							
Authorized by PL-566:							
(a) Technical assistance	3,238,764	29	7,702,000	29	-7,702,000	--	--
(b) Financial assistance							
for construction:							
Direct Federal							
contracting	12,175,608	--	13,768,000	--	-13,768,000	--	--
Subtotal, PL-566	15,414,372	29	21,470,000	29	-21,470,000	--	--
Total, Reimbursable							
Obligations	20,022,909	31	25,142,000	31	-22,952,000	2,190,000	--
Obligational authority	270,718,535	751	221,679,672	632	-108,100,672	113,579,000	225

SOURCES OF REIMBURSEMENTS

	2001 Actual	2002 Estimated	Increase or Decrease	2003 Estimated
Within USDA	$61,617:	$100,000:	-$100,000:	–
Other Federal Sources	13,344,070:	15,125,000:	-14,425,000:	$700,000
Non-Federal Sources	6,617,222:	9,917,000:	-8,427,000:	1,490,000
Total reimbursements	20,022,909:	25,142,000:	-22,952,000:	2,190,000

OUTLAYS

	2001 Actual	2002 Estimated	Increase or Decrease	2003 Estimated
1. Watershed operations authorized by PL-534	$7,717,452:	$14,434,000	-$4,556,000:	$9,878,000
2. Emergency Watershed Protection	89,840,394:	101,114,000	+19,713,000:	120,827,000
3. Small Watersheds authorized by PL-566	77,047,655:	100,340,000	-45,947,000:	54,393,000
Total Outlays	174,605,501:	215,888,000	-30,790,000:	185,098,000

Justification of Increases and Decreases

(1) A decrease of $12,822,000 for Watershed Operations Authorized by PL-534 ($12,822,000 available in 2002) to terminate the program.

This program is proposed for termination because individual project benefits are narrow in scope, have highly localized benefits, and do not effectively achieve broader performance measures such as improved water quality and economical flood damage mitigation. In addition, Federal financial support for these activities can no longer be justified in view of the increasing role that non-Federal governments, as well as private organizations, are playing in the delivery of both financial and technical assistance.

(2) An increase of $110,052,000 for Emergency Watershed Protection Operations ($1,337,000 available in 2002) consisting of:

(a) An increase of $110,000,000 and 225 staff years to respond to emergencies created by natural disasters.

This request would allow NRCS to provide immediate assistance to reduce hazards to life and property in watersheds damaged by severe natural events without having to rely on the availability of uncertain emergency supplemental appropriations. An emergency is considered to exist when a watershed is suddenly impaired by flood, fire, drought, or other natural causes which results in life and property being endangered by flooding, erosion, sediment discharge, or other associated hazards. Emergency work includes establishing quick vegetative cover on denuded land, sloping steep land, and eroding banks; opening dangerously restricted channels; repairing diversions and levees; purchasing floodplain easements; and other emergency work. The NRCS provides technical and financial assistance for disaster cleanup and subsequent rebuilding; stream corridor, wetland and riparian area restoration; and urban planning and site location assistance to FEMA when relocating communities out of flood plains.

(b) An increase of $52,000 for a total FY 2003 need of $1,389,000 for Employee Pension and Annuitant Health Benefits.

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(3) A decrease of $96,677,000 for Small Watersheds Authorized by PL-566 ($96,677,000 available in 2002) to terminate the program.

This program is proposed for termination because individual project benefits are narrow in scope, have highly localized benefits, and do not effectively achieve broader performance measures such as improved water quality and economical flood damage mitigation. In addition, Federal financial support for these activities can no longer be justified in view of the increasing role that non-Federal governments, as well as private organizations, are playing in the delivery of both financial and technical assistance.

The following table shows the status of P.L.-534 watershed projects:

Status of Operational Projects	2001	2002
Active sub-watersheds	96	96
Projects continuing post-installation assistance	224	224
Total operational sub-watersheds	320	320
Unserviced applications	23	23
Planning in progress	24	24
Terminated in planning	7	7
Total sub-watersheds	395	395

Note: For P.L.-534 projects, the number and activity remain nearly static since the program areas are legislatively defined.

The following table shows the status of P.L.-566 watershed projects:

Status of Operational Projects	2001	2002
Projects receiving land treatment	193	195
Structural projects	253	248
Land treatment and structural	67	69
Subtotal active projects	513	512
Projects continuing post-installation assistance	927	932
Inactive Projects	17	17
Project Life Completed	38	44
De-authorized projects	159	160
Total operational projects	1,654	1,665
New projects approved during year	5	6

NATURAL RESOURCES CONSERVATION SERVICE
Geographic Breakdown of Obligations and Staff Years
2001 Actual and Estimated 2002 and 2003
EMERGENCY WATERSHED PROTECTION

	2001		2002		2003	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
ALABAMA	$4,888,866	13	$542,300	5	--	--
ALASKA	2,457,918	4	1,511,100	2	--	--
ARIZONA	9,181,429	19	1,598,938	10	--	--
ARKANSAS	8,108,793	15	2,440,600	12	--	--
CALIFORNIA	19,596,597	29	4,582,000	16	--	--
COLORADO	2,229,472	6	461,912	3	--	--
CONNECTICUT	440,376	4	381,200	3	--	--
DELAWARE	762,455	3	349,601	3	--	--
FLORIDA	4,375,105	15	2,551,534	11	--	--
GEORGIA	2,828,997	7	720,400	6	--	--
HAWAII	7,344,840	11	3,343,500	8	--	--
IDAHO	1,323,305	5	433,560	4	--	--
ILLINOIS	7,059,293	16	11,513,400	11	--	--
INDIANA	1,835,947	5	1,421,500	6	--	--
IOWA	12,473,137	21	6,097,164	23	--	--
KANSAS	1,300,499	4	2,272,794	10	--	--
KENTUCKY	1,600,626	7	762,981	7	--	--
LOUISIANA	6,104,235	18	1,259,800	12	--	--
MAINE	637,075	4	342,200	3	--	--
MARYLAND	2,049,393	3	432,945	3	--	--
MASSACHUSETTS	1,289,792	5	508,560	4	--	--
MICHIGAN	751,134	5	450,300	5	--	--
MINNESOTA	7,141,760	23	6,795,000	8	--	--
MISSISSIPPI	17,141,692	42	8,348,965	39	--	--
MISSOURI	6,830,842	29	9,555,753	49	--	--
MONTANA	899,997	5	388,500	3	--	--
NEBRASKA	3,461,743	12	1,201,600	10	--	--
NEVADA	894,014	4	418,300	4	--	--
NEW HAMPSHIRE	218,539	2	234,100	2	--	--
NEW JERSEY	291,024	3	204,100	2	--	--
NEW MEXICO	4,269,258	17	8,043,800	13	--	--
NEW YORK	2,123,130	15	1,431,600	9	--	--
NORTH CAROLINA	14,011,605	37	2,875,600	10	--	--
NORTH DAKOTA	7,873,633	13	984,968	9	--	--
OHIO	1,738,614	7	1,167,200	3	--	--
OKLAHOMA	24,736,399	70	7,715,874	34	--	--
OREGON	1,437,981	7	490,300	5	--	--
PACIFIC BASIN	1,599,833	5	488,300	4	--	--
PENNSYLVANIA	3,615,920	11	2,207,381	11	--	--
PUERTO RICO	316,658	3	276,200	3	--	--
RHODE ISLAND	545,358	3	208,100	1	--	--
SOUTH CAROLINA	994,393	4	667,400	6	--	--
SOUTH DAKOTA	3,593,548	6	1,108,971	2	--	--

	2001		2002		2003	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
TENNESSEE	2,709,789	13	2,406,200	19	--	--
TEXAS	13,544,961	46	14,576,255	44	--	--
UTAH	4,772,841	3	270,350	2	--	--
VERMONT	1,177,326	6	516,400	6	--	--
VIRGINIA	2,262,830	11	880,315	9	--	--
WASHINGTON	571,696	5	646,500	5	--	--
WEST VIRGINIA	12,699,635	26	10,211,354	39	--	--
WISCONSIN	1,353,950	5	161,100	1	--	--
WYOMING	1,926,030	8	762,529	7	--	--
NATIONAL HDQTR 1/	1,644,253	34	4,384,200	15	--	--
CNTRS/INSTITUTES	5,281,386	21	2,473,000	13	--	--
EAST REGION	146,619	2	305,400	2	--	--
SOUTHEAST REGION	139,919	1	286,900	2	--	--
SO. CENTRAL REGION	166,017	2	225,300	3	--	--
FOREST SERVICE	-76,851	--	--	--	--	--
UNDISTRIBUTED	--	--	59,641,568	40	$111,389,000	225
Total Obligations/Est.	$250,695,626	720	$196,537,672	601	$111,389,000	225

1/ The FY 2001 National Headquarters amount is pending final resolution of adjustments in the accounting system.

NATURAL RESOURCES CONSERVATION SERVICE
WATERSHED AND FLOOD PREVENTION OPERATIONS

STATUS OF PROGRAM

Flood prevention authorized by Public Law 534: The Flood Control Act of 1944 authorizes the Secretary of Agriculture to install watershed improvement measures to reduce flood, sedimentation, and erosion damages; further the conservation, development, utilization, and disposal of water; and the conservation and proper utilization of land. Flood prevention work is authorized in the 11 watersheds designated in the Flood Control Act of December 22, 1944.

Small Watershed operations authorized by Public Law 566: The Watershed Protection and Flood Prevention Act of 1954 provides for cooperation between the Federal government and the States and their political subdivisions in a program to prevent erosion, floodwater, and sediment damages; to further the conservation, development, utilization, and disposal of water; and to further the conservation and proper utilization of land in authorized watersheds.

The flood prevention (P.L.-534) and the small watershed (P.L.-566) programs have similar objectives. The planning criteria, economic justifications, local sponsorship requirements, cost-sharing criteria, structural limitations, and other policies and procedures used in flood prevention projects generally parallel those used in watershed protection projects. These programs support the NRCS strategic plan goal 2 – which relates to healthy and productive lands.

Program Assignments: NRCS has the responsibility for administration of the Watershed Protection and Flood Prevention Act and the work authorized under the Flood Control Act. This includes responsibility for the installation of land treatment measures and structural works of improvement in authorized watersheds on non-Federal land and on Federal lands by arrangement with the administering agency.

Program Details

1. Technical and financial assistance for construction include:

   a. Land treatment measures. NRCS assures that a program of proper land use and treatment will be carried out is a basic requirement for assistance in the development of flood prevention sub-watersheds or watershed projects. NRCS provides landowners and operators with technical assistance to accelerate the planning and application of land treatment measures that help achieve project objectives. This accelerated assistance is in addition to that received under other conservation programs.

      When land treatment measures are installed to achieve justified off-site flood prevention benefits, or when such measures provide small or long-deferred benefits to the landowner, the installation cost may be shared with Federal funds. The cost-share rate of this financial assistance may not exceed the rate of assistance for similar practices under other conservation programs of USDA. This work is accomplished through project agreements with local sponsoring organizations or through long-term contracts between the landowner and NRCS. In the first case, the local sponsors arrange for and accomplish the work by contract or force account. NRCS makes payments to the local sponsoring organizations as the land treatment measures are installed. In the long-term contract situation, landowners contract directly with NRCS.

   b. Structural measures. Floodwater retarding structures, stream channel restoration, grade stabilization and sediment control structures, water storage structures, and other structures are integral elements of providing watershed protection. Detailed construction plans, and designs and specifications are prepared for these measures by NRCS or by private engineers employed by the local sponsoring organization.

NRCS provides all construction funds for structural measures for flood prevention and an equitable share of the cost of installing works of improvement for agricultural water management, fish and wildlife, water quality, or recreational development. The latter includes the cost of basic facilities for public health and safety, access to recreational areas, and use of the recreational development. Local organizations must pay all costs of works of improvement for other purposes. In addition, local organizations must acquire water rights, permits, and furnish land, easements, and rights-of-way for all structural measures. However, up to one-half the cost of land, easements, and rights-of-way allocated to public fish and wildlife and recreational developments may be paid with P.L.-534 or P.L.-566 funds.

c. Non-structural measures. Non-structural measures or a combination of structural and non-structural measures may be installed as part of the watershed works of improvement. Non-structural measures can consist of flood proofing buildings located in a floodplain, zoning or otherwise controlling certain floodplain areas to restrict further development, removal of buildings from the flood area, conservation easements, and other similar measures.

Financial assistance to local sponsoring organizations for installation of non-structural measures is provided in the same manner as for installation of structural measures. The local share for installation of non-structural measures must be at least 25 percent of the cost. Financial assistance may also be provided for the purchase of conservation easements at a federal cost share rate of 50 percent to 99 percent.

d. Installation of measures. Watershed measures can be installed using a variety of contracting methods. Contracts may be administered by NRCS, using formal contracting procedures or by the sponsoring local organizations with the capacity.

Technical assistance is provided for flood prevention, agricultural water management, water quality, and for water resource development or improvement for public fish and wildlife and recreational purposes, either directly by NRCS, or by the local organizations with advances or reimbursement from the Federal government. NRCS may also supply up to one-half the cost of engineering assistance required for the installation of basic facilities for public fish and wildlife and recreational development.

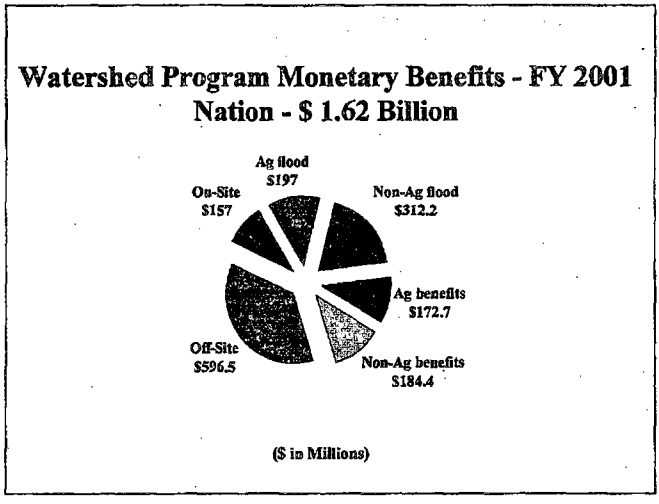
Local sponsoring organizations must operate and maintain the completed works of improvement on non-Federal lands for the length of time that the project is economically evaluated. This period of time is usually between 25 years and 100 years.

2. Detailed sub-watershed work plans are prepared for P.L.-534 flood prevention projects in cooperation with soil conservation districts and other local sponsoring organizations. These plans outline soil and water management problems in sub-watersheds, what is proposed to alleviate these problems, the estimated benefits and costs, cost sharing, and operation and maintenance arrangements. These plans also serve as the basis for the National Environmental Policy Act process.

3. Loans and loan services are provided to finance the local share of the costs of installing planned works of improvement. Repayment with interest is required within 50 years after the principal benefits of improvements first become available. Loans are financed through the Rural Utilities Service (RUS). No funding was appropriated for the RUS to make new loans in FY 2001.

Program Benefits

Flood prevention and other monetary benefits from P.L.-566 and P.L.-534 that occurred in FY 2001 are shown below:



- Ag Benefits are benefits associated with erosion control, animal waste management, water conservation, water quality improvement, irrigation efficiency, change in land use, etc.
- Non-Ag Benefits are those benefits associated with recreation, fish and wildlife, rural water supply, water quality, municipal and industrial water supply, incidental recreation uses, etc.
- Ag Flood Protection Benefits are the sum of the agricultural flood damage prevented, for the preceding year. This value includes all crop and pasture damage reduction benefits as well as all other agricultural damage reduction benefits.
- Non-Ag Flood Protection Benefits are non-agricultural flood damage prevented, for the preceding year, to roads, bridges, homes and other structures that occurs in the floodplain.

The following table shows the funds obligated for P.L.-534 flood prevention and P.L.-566 small watersheds in FY 2001:

	P.L.-534 Flood Prevention	P.L.-566 Small Watersheds	Total
Direct Funds	$12,773,366	$96,645,809	$109,419,175
Reimbursable Funds	952,753	15,285,372	16,238,125
Total Obligations	$13,726,119	$111,931,181	$125,657,300

FLOOD PREVENTION AUTHORIZED BY P.L.-534

Because the authorized flood prevention projects include relatively large areas, work plans are developed on a sub-watershed basis. As of September 30, 2001, the total planning job was about 74 percent completed, with 319 work plans completed that include over 24 million acres. The following table summarizes the status of sub-watershed planning by authorized project:

Flood Prevention Projects	Total Authorized Area	Sub-watersheds and other areas with planning potential		Work plans completed to 9/30/01	
	Acres	No.	Acres	No.	Acres
Buffalo Creek, NY [a/]	279,680	3	279,680	3	279,680
Colorado (Middle),TX	4,613,120	17	3,703,520	17	3,703,520
Coosa, GA [a/]	1,339,400	16	1,174,650	16	1,174,650
Little Sioux, IA	1,740,800	124	1,050,093	97	452,702
Little Tallahatchie, MS	963,977	15	609,786 [b/]	15	609,786
Los Angeles, CA	536,960	10	76,434 [c/]	10	76,434
Potomac, MD,WV,VA	4,205,400	31	4,225,679	20	3,229,079
Santa Ynez, CA	576,000	5	50,743 [d/]	5	50,743
Trinity, TX	8,424,260	33	6,951,170	32	6,855,170
Washita, OK & TX	5,095,040	53	4,676,222	53	4,676,222
Yazoo, MS	7,661,278	88	3,627,985	51	3,160,173
TOTALS	35,435,915	395	26,425,962	319	24,268,159

a/ The Buffalo Creek Watershed was completed and closed in 1964 and reopened in 1992 for repairs. The Coosa Watershed was completed and closed in 1981.

b/ Excludes 96,501 acres of Sardis Reservoir area, and 304,000 acres in minor watersheds needing only land treatment measures.

c/ Includes National forest and other lands, for which the Forest Service has been assigned program responsibility.

d/ Excludes 195,818 acres of reservoir area.

The estimated Federal cost for each watershed and total Federal obligations through FY 2001:

Flood Prevention Project	Estimated Total Federal Cost	Obligations $ (cumulative)[a/] 9/30/01
Buffalo Creek Watershed, NY (Complete)	$7,827,746	$6,287,347
Middle Colorado River Watershed, TX	71,111,062	63,057,942
Coosa River Watershed, GA and TN (Complete)	18,999,247	18,264,485
Little Sioux River Watershed, IA	98,581,921	81,051,008
Little Tallahatchie River Watershed, MS	69,501,448	70,381,857
Los Angeles River Watershed, CA	60,597,017	60,297,017
Potomac River Watershed, MD, PA, VA, & WV	150,217,206	124,518,278
Santa Ynez River Watershed, CA	41,386,536	40,786,536
Trinity River Watershed, TX	331,241,632	201,804,803
Washita River Watershed, OK and TX	202,491,055	186,082,289
Yazoo River Watershed, MS	252,957,352	246,983,825
TOTAL	$1,304,912,222	$1,099,515,387

WATERSHED OPERATIONS AUTHORIZED BY P.L.-566

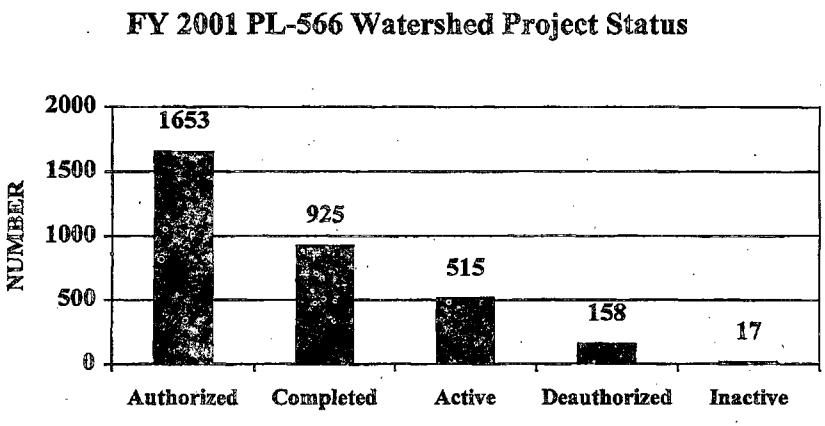
Watershed projects involving an estimated Federal contribution in excess of $5,000,000 for construction, or construction of any single structure having a capacity in excess of 2,500 acre-feet, require Congressional committee authorization. The Chief of NRCS authorizes all other projects. After authorization, technical and financial assistance may be provided for installation of works of improvement specified in the plans.

Project sponsors are provided assistance in installing planned land treatment measures when plans are approved. Surveys and investigations are made and detailed designs, specifications, and engineering cost estimates are prepared for construction of structural measures. Areas where sponsors need to obtain land rights, easements, and rights-of-way are delineated. Technical assistance is also furnished to landowners and operators to accelerate planning and application of needed conservation on their land.

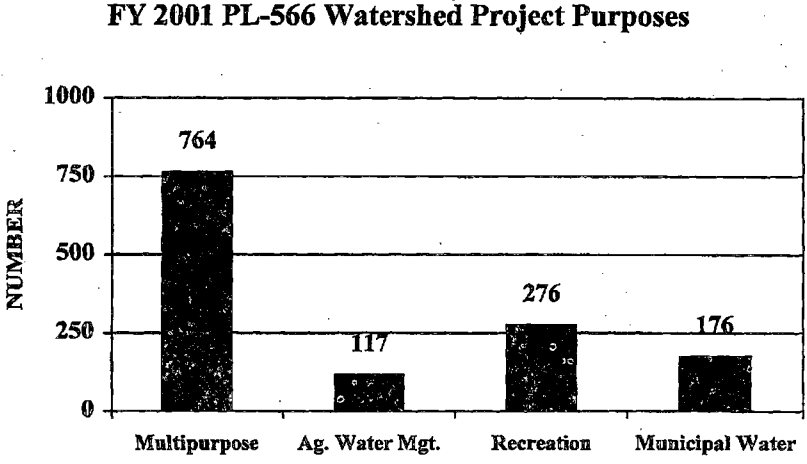
Under a project agreement, the sponsoring local organization agrees to construct a single or an interrelated group of projects measures. NRCS and the sponsoring local organization agree to share the construction costs as specified in the work plan. Administrative, contractual, and engineering assistance is provided for preparation of contracts and inspection of construction.

When the local organization performs the contracting, payments are made to them as the work progresses in accordance with the terms of the project agreement. When the local organization requests NRCS to conduct the contracting for works of improvement, NRCS makes payments directly to the contractor as the work progresses. Payments include amounts financed from Federal funds and from local organizations that fund their share of the construction costs.

Following is a Summary of Status of P.L.-566 projects authorized:



Following is a chart showing the number of projects with multipurpose or other purposes than flood control or watershed protection:



New Small Watershed Projects Authorized For Funding in Fiscal Year 2001
Under the Watershed Protection and Flood Prevention Act (P.L. 83-566)

STATE	NAME	FEDERAL COST	LOCAL COST	TOTAL COST
Minnesota	Snake River	$8,702,000	$3,581,000	$12,283,000
Pennsylvania	Indian Creek	$2,037,000	$2,129,000	$4,166,000
Michigan	Stony Creek	$1,342,575	$585,925	$1,928,500
Colorado	Holbrook Lake Ditch	$1,597,900	$788,300	$2,386,200
Oregon	Lower Tillamook Bay	$6,388,796	$1,637,330	$8,026,126
TOTAL		$20,068,271	$8,721,555	$28,789,826

Selected Examples of Recent Progress:

Beckley, West Virginia Three watershed projects were designed by the USDA Natural Resources Conservation Service (NRCS) to provide flood protection in Raleigh County. The three flood control channels are Little Whitestick, Cranberry Creek, and Soak Creek. Soak Creek Channel is located in Sophia and the other two projects are located in Beckley. Nearly 550 homes, businesses, churches, and schools are protected by the projects.

Residents have many accounts from past floods. "In the flood of '98, I had to take my Dad out of the house by boat. All we were able to see were the tops of fences. The water went up over the dash of our Ford Explorer that was parked in the garage." They describe the ordeal of "moving the livestock and praying

that the rains wouldn't flood the house." One time they used a chain pulley to hoist a truck into a tree to protect it from rising waters. As one resident says, "Living in a flood prone home involves your whole life. Because of the Little Whitestick Project, I'm not afraid when it rains."

A former Little Whitestick Watershed Association member believes "If it hadn't been for the project, we would have had a real flood here. It was very dramatic. Above here at Value City, water was everywhere. Here, the water was within the banks of the channel." He recalls a public meeting held in 1997 to discuss constructing the Little Whitestick Project. "We had a lot of objections to the project at the meeting. Later that night a flood happened. The next morning people were calling to beg for the project." In addition to flood protection, erosion control is another advantage of the project. "Before, any time a tree fell, it would cause the bank to erode. One year I lost 75 feet of bank." "It's been like a dream come true. I now have peace of mind. And my property values have gone up now that I don't have water problems."

According to another resident of Sophia, "The Soak Creek paid for itself this month. Without the project, Sophia would have suffered flood damages in excess of what it cost to construct. We wouldn't have a town, we would still be cleaning up. The Soak Creek Project has more than paid for itself several times over."

The Natural Resources Conservation Service provided technical and financial assistance to the West Virginia Soil Conservation Agency, Southern Soil Conservation District, Raleigh County Commission, the city of Beckley and the town of Sophia in planning and constructing the watershed project.

Southeast Nebraska In May 2001, NRCS reported an estimated $3.4 million in damages prevented from storms in just four counties. Damages prevented include washed out roads, damaged bridges, cropland erosion that didn't occur because the watershed dams held the water back, releasing it slowly over time.

In June 2001, another $2.3 million in damages prevented were estimated by NRCS over the same portion of the state. These watershed dams, and others, are on the landscape ready to protect the communities in the next storm.

A farmer in southeast Nebraska and has two of the small dams on his property in the Wilson Creek watershed, which was one of the first project areas in the state. He said recently, "These dams were built during the 1960's. They have proven their value over and over again. They helped me and everybody downstream that may have gotten washed out."

LOAN PROGRAMS

Under P. L. 78-534 and P. L. 83-566, loans may be available to local organizations for financing the local share of the cost of installing, repairing, or improving works of improvements and water storage facilities, purchasing sites or rights-of-way, and for related costs in approved watershed and flood prevention projects. The Rural Utilities Service (RUS) has been assigned responsibility for making these loans to sponsors of such projects approved for operations.

These loans are repayable in not more than 50 years at an interest rate not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity on obligations of similar maturity. For a single plan for works of improvement, the amount of the loan may not exceed $10 million.

Applications for loans received by RUS have varied greatly in amount. Most applications have included requests for funds to purchase easements or rights-of-way and pay legal fees and organization costs. The larger loan requests have also included funds to pay the local organization's share of installation costs of drainage channels, municipal water storage, irrigation works, recreational facilities, natural beauty, and other multiple-purpose improvements. There are currently

110 borrowers who are holding 184 loans with a value of $31.5 million. Over the life of the program, 495 loans have been made at a value of almost $176 million.

Congress did not appropriate funds in FY 2001 to provide new loans under this program.

Item	2001 Actual		2002 Estimated		2003 Estimated	
	No.	$ (000)	No.	$ (000)	No.	$ (000)
1. Loans obligated during year	0	0	0	0	0	0
2. Borrowers outstanding	110	$31,500	110	$31,500	108	$30,000
3. Loans cumulative	495	$175,903	495	$175,903	495	$175,903

Total Obligations Related to P.L.566 Watershed Projects as of 9/30/2001:

The following tabulation shows, by State, descriptive information concerning the extent of the program and rate of progress in obligating funds for the installation of works of improvement in P.L.-566 watersheds. There are 75 multi-State projects. Obligations and staff years are distributed between the States as applicable.

State	Number Projects Approved 9/30/01	Total Federal Obligations FY 2001	FY 2001 Federal Staff-Year Input	Total Watershed Area Acres	Total Estimated Cost	Federal Estimated Cost	Percent Federal Cost to Total Cost 1/	Cumulative Federal Obligations 9/30/01	Percent Cost Obligated as of 9/30/01
Alabama	51	$885,689	5	3,034,042	$6,716,693	$827,693	76%	$89,711,366	99%
Alaska	1	1,689,679	3	232,000	1,517,655	1,517,655	100%	7,243,916	83%
Arizona	20	2,928,874	10	1,633,062	2,636,028	2,636,028	90%	129,741,717	98%
Arkansas	65	3,222,010	10	3,624,338	4,120,914	2,907,914	81%	169,814,734	98%
California	31	4,691,546	14	1,910,933	4,234,281	4,234,281	80%	205,735,248	98%
Colorado	25	829,272	3	1,557,146	740,382	735,382	81%	50,166,726	99%
Connecticut	12	361,378	4	214,856	2,623,878	361,378	81%	45,828,301	99%
Delaware	6	813,173	3	469,220	752,507	737,507	100%	32,552,064	98%
Florida	30	2,615,763	9	2,151,268	2,441,533	2,351,933	64%	44,039,098	95%
Georgia	73	2,401,860	5	4,812,710	2,134,753	2,134,753	75%	110,498,096	98%
Hawaii	13	3,062,977	7	644,542	3,252,255	2,767,255	89%	61,835,639	96%
Idaho	20	1,099,107	4	979,127	1,062,789	986,549	84%	24,765,073	96%
Illinois	33	2,431,511	10	1,789,134	2,513,302	2,213,302	74%	142,196,657	98%
Indiana	40	522,063	3	2,445,382	1,359,667	490,187	69%	82,478,800	99%
Iowa	55	2,565,554	2	1,299,050	2,420,118	2,236,918	36%	16,300,459	88%
Kansas	63	1,331,672	3	6,040,361	1,205,585	1,179,585	91%	195,633,918	99%
Kentucky	43	1,372,290	6	2,586,213	1,263,200	1,249,200	82%	91,130,593	99%
Louisiana	50	1,877,969	13	6,218,867	1,966,341	1,741,341	60%	128,333,440	99%
Maine	21	647,292	4	1,331,054	652,127	598,999	86%	23,604,534	98%
Maryland	22	2,186,421	3	523,325	1,926,629	1,926,629	69%	25,651,106	93%
Massachusetts	12	955,221	5	460,232	971,900	870,900	78%	42,117,930	98%
Michigan	29	638,704	4	1,584,037	601,313	601,313	68%	34,264,962	98%
Minnesota	21	710,427	6	2,069,049	4,322,307	661,307	73%	60,095,725	99%
Mississippi	63	14,536,023	20	4,602,179	13,150,318	12,710,318	82%	189,686,494	94%
Missouri	35	4,621,584	24	2,583,183	4,479,643	4,221,643	87%	132,656,405	97%
Montana	22	516,365	2	1,444,201	496,574	476,574	82%	33,297,631	99%
Nebraska	52	1,986,262	10	3,512,439	2,323,816	1,810,816	83%	112,622,626	98%
Nevada	7	249,607	2	406,462	555,607	249,607	63%	4,429,836	95%
New Hampshire	7	153,307	2	456,770	153,307	153,307	79%	22,870,034	99%
New Jersey	15	173,508	2	389,347	173,508	173,508	91%	44,101,147	100%

State	Number Projects Approved 9/30/01	Total Federal Obligations FY 2001	FY 2001 Federal Staff-Year Input	Total Watershed Area Acres	Total Estimated Cost	Federal Estimated Cost	Percent Federal Cost to Total Cost 1/	Cumulative Federal Obligations 9/30/01	Percent Cost Obligated as of 9/30/01
New Mexico	30	3,347,086	14	1,908,727	4,604,411	3,042,161	93%	128,119,413	98%
New York	31	1,415,099	10	1,955,944	1,320,835	1,320,835	93%	75,247,835	98%
North Carolina	63	739,487	9	3,176,702	739,487	739,487	78%	101,295,161	99%
North Dakota	22	5,642,470	7	2,603,981	5,107,157	4,947,157	79%	47,905,937	91%
Ohio	28	340,600	3	2,825,936	960,600	340,600	90%	113,490,810	100%
Oklahoma	77	2,297,897	13	7,535,993	2,184,843	2,109,843	88%	273,539,834	99%
Oregon	24	407,828	4	1,409,154	562,833	395,833	59%	55,539,294	99%
Pennsylvania	39	3,875,117	11	1,956,307	3,470,090	3,470,090	87%	126,481,271	97%
Pacific Basin	3	1,695,386	6	4,295	1,735,665	1,528,365	97%	6,347,688	81%
Puerto Rico	4	214,156	2	266,002	214,156	214,156	80%	16,549,708	99%
Rhode Island	1	498,900	3	24,100	498,900	498,900	100%	1,528,092	75%
South Carolina	60	776,515	4	3,689,938	765,396	720,396	75%	60,696,808	99%
South Dakota	18	806,787	2	1,467,474	4,143,079	721,379	60%	14,960,249	95%
Tennessee	48	2,304,631	12	2,446,872	2,193,808	2,105,808	90%	119,870,303	98%
Texas	99	5,282,719	28	10,232,854	5,237,780	4,887,780	84%	403,547,361	99%
Utah	16	205,506	2	1,643,187	201,994	201,994	85%	44,601,458	100%
Vermont	12	989,094	5	983,927	900,663	900,663	94%	25,104,766	97%
Virginia	42	2,106,073	9	2,383,433	2,011,241	1,914,241	85%	87,454,719	98%
Washington	23	513,639	5	868,793	761,795	511,795	84%	67,315,995	99%
West Virginia	32	2,499,414	12	1,250,636	2,285,096	2,282,096	96%	212,594,311	99%
Wisconsin	29	215,702	1	1,476,149	200,436	200,436	87%	52,112,603	100%
Wyoming	15	1,767,306	8	647,436	1,599,575	1,599,575	81%	19,163,396	92%
Total	1,653	$100,018,520	368	111,762,369	$114,468,770	$90,417,372	82%	$4,406,871,287	98%

1/ Does not include land rights, permits, operation and maintenance costs borne by the local sponsors.

NATURAL RESOURCES CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

[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 approved August 4, 1954 (16 U.S.C. 1001 et seq.), as amended by section 313 of Public Law 106-472, November 9, 2000 (16 U.S.C. 1012), and in accordance with the provisions of laws relating to the activities of the Department, $10,000,000, to remain available until expended.]

The change in language proposes deletion of funding for the program. Unobligated funds would continue to be available until expended.

NATURAL RESOURCES CONSERVATION SERVICE

WATERSHED REHABILITATION PROGRAM

Appropriations Act, 2002	$10,000,000
Budget Estimate, 2003	--
Decrease in Appropriation	-10,000,000

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2002 Estimated	Pay Costs	Program Changes	2003 Estimated
Watershed Rehabilitation Program	$10,000,000	--	-$10,000,000	--

Project Statement
(On basis of appropriation)

	2001 Actual		2002 Estimated		Increase or	2003 Estimated	
Program	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
Watershed Rehabilitation:							
Technical Assistance	--:	--:	$6,700,000:	74:	-$6,700,000:	--:	--
Financial Assistance	--:	--:	3,300,000:	--:	-3,300,000:	--:	--
Total, Appropriation	--:	--:	10,000,000:	74:	-10,000,000:	--:	--

OUTLAYS

	2001 Actual	2002 Estimated	Increase or Decrease	2003 Estimated
Watershed Rehabilitation Program	--	$7,288,000	-$5,401,000:	$1,887,000

Justification of Increases and Decreases

(2) A decrease of $10,000,000 for Watershed Rehabilitation ($10,000,000 available in 2002) to terminate the program.

Requiring USDA to finance rehabilitation work on these dams would set a costly and objectionable government wide precedent. These dams are a local responsibility and the Federal Government should not rehabilitate any locally owned dams built with assistance from Federal agencies, including the Army Corps of Engineers and the Bureau of Reclamation.

NATURAL RESOURCES CONSERVATION SERVICE
Geographic Breakdown of Obligations and Staff Years
2001 Actual and Estimated 2002 and 2003
WATERSHED REHABILITATION PROGRAM

	2001		2002		2003	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
ALABAMA	--	--	$40,000	--	--	--
ARIZONA	--	--	23,000	--	--	--
ARKANSAS	--	--	17,000	--	--	--
CALIFORNIA	--	--	10,000	--	--	--
COLORADO	--	--	4,000	--	--	--
GEORGIA	--	--	95,000	1	--	--
IDAHO	--	--	4,000	--	--	--
ILLINOIS	--	--	40,000	--	--	--
INDIANA	--	--	23,000	--	--	--
IOWA	--	--	170,000	2	--	--
KANSAS	--	--	19,000	--	--	--
KENTUCKY	--	--	55,000	1	--	--
LOUISIANA	--	--	7,000	--	--	--
MAINE	--	--	5,000	--	--	--
MASSACHUSETTS	--	--	9,000	--	--	--
MISSISSIPPI	--	--	172,000	2	--	--
MISSOURI	--	--	46,000	1	--	--
MONTANA	--	--	12,000	--	--	--
NEBRASKA	--	--	94,000	1	--	--
NEW JERSEY	--	--	4,000	--	--	--
NEW MEXICO	--	--	43,000	--	--	--
NEW YORK	--	--	58,000	1	--	--
NORTH CAROLINA	-	--	58,000	1	--	--
NORTH DAKOTA	--	--	55,000	1	--	--
OHIO	--	--	6,000	--	--	--
OKLAHOMA	--	--	2,700,000	19	--	--
PENNSYLVANIA	--	--	20,000	--	--	--
SOUTH CAROLINA	--	--	21,000	--	--	--
SOUTH DAKOTA	--	--	14,000	--	--	--
TENNESSEE	--	--	67,000	1	--	--
TEXAS	--	--	60,000	1	--	--
UTAH	-	--	18,000	--	--	--
VERMONT	--	--	5,000	--	--	--
VIRGINIA	--	--	50,000	1	--	--
WEST VIRGINIA	--	--	40,000	--	--	--
WISCONSIN	--	--	10,000	--	--	--
WYOMING	-	--	11,000	--	--	--
NATIONAL HDQTR	--	--	1,000,000	11	--	--
UNDISTRIBUTED	--	--	4,915,000	30	--	--
Total Estimate	--	--	$10,000,000	74	--	--

NATURAL RESOURCES CONSERVATION SERVICE
EMERGENCY WATERSHED PROTECTION PROGRAM

STATUS OF PROGRAM

The Emergency Watershed Protection Program (EWP) was established by Congress to respond to emergencies created by natural disasters. The program is designed to help people and conserve natural resources by relieving imminent hazards to life and property caused by floods, fires, windstorms, and other natural occurrences. EWP is an emergency recovery program. All projects undertaken, with the exception of the purchase of floodplain easements, must be sponsored by a political subdivision of the State, such as a city, county, general improvement district, or conservation district. NRCS is responsible for administering the program.

EWP funds cannot be used to solve problems that existed before the disaster or to improve the level of protection above that which existed before a disaster. It cannot fund operation and maintenance work or repair private or public transportation facilities or utilities. The work cannot adversely affect downstream water rights and funds cannot be used to install measures not essential to the reduction of hazards. In addition, funds cannot be used to perform work on measures installed by another federal agency.

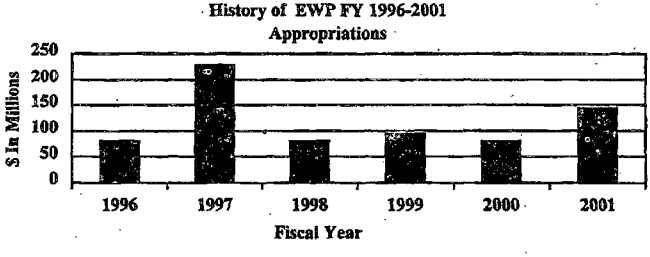
PROGRAM ADMINISTRATION

All EWP work must reduce threats to life and property and must be economically, environmentally, and socially defensible and sound from a technical standpoint. NRCS may bear up to 75 percent of the construction cost of emergency measures. The remaining 25 percent must come from local sources and can be in the form of cash or in-kind services.

Public and private landowners are eligible for assistance but must be represented by a project sponsor. Sponsors are responsible for providing landrights to do repair work and securing the necessary permits. Sponsors are also responsible for furnishing the local cost share and for accomplishing the installation of work. Work can be done either through Federal or local contracts.

EWP work is not limited to any one set of prescribed measures. A case-by-case investigation of the work is made by NRCS. EWP work can include: removing debris from stream channels, road culverts, and bridges; reshaping and protecting eroded banks; correcting damaged drainage facilities; repairing levees and structures; reseeding damaged areas; and purchasing floodplain easements.

This program is dependent upon Congressional appropriations in order to provide assistance. Approximately two-thirds of the events that trigger EWP assistance are local in nature and not Presidentially declared disasters, but cover smaller areas. Over the past six years, an average of $118 million per year has been appropriated for EWP work.



FLOOD PLAIN EASEMENTS

Section 382 of the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104-127, amended the EWP Program to provide for the purchase of floodplain easements as an emergency measure. Since 1996, NRCS has purchased floodplain easements on agricultural lands that qualify for EWP assistance. Floodplain easements restore, protect, maintain, and enhance the functions of wetlands and riparian areas; conserve natural values including fish and wildlife habitat, water quality, flood water retention, ground water recharge, and open space; and safeguard lives and property from floods, drought, and the products of erosion.

NRCS may purchase EWP easements on any floodplain lands that have been impaired within the last 12 months or that have a history of repeated flooding (i.e., flooded at least three times during the past 10 years). Since offers into the program exceed funding, NRCS maintains a list of easement offers that meet basic eligibility criteria at the time of application, and these offers continue to be eligible pending availability of funding.

Under the floodplain easement option, a landowner voluntarily offers to sell to the NRCS a permanent conservation easement that provides the NRCS with the full authority to restore and enhance the floodplain's functions and values. In exchange, a landowner receives the least of one of the three following values as an easement payment: (i) a geographic rate established by the NRCS state conservationist; (ii) a value based on a market appraisal analysis for agricultural uses or assessment for agricultural land; or (iii) the landowner offer.

The easement provides the NRCS with the full authority to restore and enhance the floodplain's functions and values. NRCS may pay up to 100% of the restoration costs of the easement. Restoration efforts include both structural and non-structural practices. To the extent practicable, NRCS actively restores the natural features and characteristics of the floodplain through re-creating the topographic diversity, increasing the duration of inundation and saturation, and providing for the re-establishment of native vegetation. The landowner is provided the opportunity to participate in the restoration efforts. Landowners retain several rights to the property, including quiet enjoyment, the right to control public access, and the right to undeveloped recreational use such as hunting and fishing. At any time, a landowner may obtain authorization from NRCS to engage in other activities provided that NRCS determines it will further the protection and enhancement of the easement's floodplain functions and values.

The floodplain easement component of the EWP program is a pilot effort in 17 states that was initiated in 1997 and continued through 2001. In FY 2001, NRCS allocated $35 million to States to accept 208 offers on 29,067 acres. Great interest in the program has been expressed in many of the remaining 50 states, and efforts are underway to make available floodplain easements nationwide in FY 2002. Nationally, there exists over 1,000 landowner applications on more than 150,000 acres. These unfunded offers have an estimated cost of $180,000,000.

Additional information on the EWP program is available on the NRCS-Watersheds and Wetlands Division's website at: http://www.ftw.nrcs.usda.gov/programs.html.

EMERGENCY WATERSHED PROTECTION PROGRAM ACCOMPLISHMENTS FOR FY 2001

General:	
Disaster Events (Number)	57
Completed Projects (Number)	261
Costs:	
Technical Assistance	$19,367,014
Financial Assistance	$76,915,614
Local Contribution	$25,025,769
Floodplain Easements	$35,000,000
Total Costs	$156,308,397

Benefits:

Outcomes:	
Public Buildings Protected (Num)	297
Private Buildings Protected (Num)	5,619
Road Protected (Miles)	1,166
Utilities Protected (Num)	312
Value of Property Protected	$164,550,567
Outputs:	
Debris Removed (Feet)	16,690,096
Streambank Stabilized (Feet)	309,467
Land Protected (Acres)	5,086,784
Easements Purchased (acres)	29,570
People Benefited:	
Elderly (Num)	342,021
Minority (Num)	221,506
Other (Num)	1,342,699
Total (Num)	1,906,226
Total Benefits:	
Economic	$240,891,525
Cost/Benefit Ratio	1.0:1.54

The beneficial impacts of the EWP include a significant amount of debris removal from waterways. The 16,690,096 feet mentioned above equals the distance between Miami and San Francisco. The amount of land protected by EWP work last year was approximately the size of the State of Massachusetts.

Selected Examples of Recent Progress

California

A significant storm on March 5, 2001, resulted in a major flood event for the Arroyo Grande Channel in San Luis Obisbo County. Damage was not widespread in the County but was severe at the specific damage site. Damage included 200 lineal feet of levee breached, 450 feet of levee damaged by severe erosion, and 450 lineal feet of channel was blocked with downed trees, debris and sediment.

Although two homes and one business were at certain risk of future flooding with the breached and damaged levee, the majority of the potential damages without repair included flooding and sediment damage to 200 acres of some of the best farm land in California. The area is located in the Central Coast of California where a mild climate and a source of irrigation water allow farming year round. Very high value vegetable row crops such as lettuce, broccoli, celery and others provide at least three crops per year. The total estimated damages to downstream properties without repair was $1.5 million, the majority being attributed to damages to farm land and lost crop production.

NRCS immediately responded using EWP funding and the levee was repaired before another event could occur causing further damage.

New Mexico

From May through June 2000, six major wildfires charred some 101,975 acres in New Mexico. Over 19,400 acres of this total are nonfederal lands. Through the Emergency Watershed Protection Program, NRCS worked with local, state, tribal, and Federal entities to help restore the land and the communities affected by the fires. The efforts completed on five of the fires are discussed below.

The Cree fire burned over 8,000 acres and destroyed two structures. Through a reimbursable agreement with Forest Service, NRCS employees supervised over 100 contract laborers to place 10,000 straw wattles along the contour on 305 acres in upper watershed areas. NRCS field staff provided technical assistance to individual property owners. Some 30 instream rock-and-wire structures to reduce flooding

and siltation were installed by inmates supervised by the Division of State Forestry. Assistance was also provided to the County on installation of K-rails and earthen diversions to reduce erosion and flooding risks.

The Scott Able fire burned over 16,000 acres and damaged or destroyed 64 homes and cabins and an additional 16 other buildings. NRCS field staff and the Otero Soil and Water Conservation District (SWCD) provided technical assistance to homeowners, including logging, contour tree felling, and reseeding on 190 acres. Otero SWCD was the local sponsor for rehabilitation projects, including 350 acres of reseeding, 240 feet of K-rails, 1 debris and sediment basin, 30 feet of gabion lined channel, and 500 cubic yards of channel clearing. Otero County was the local sponsor for home debris removal, and the burned debris was removed for seven low-income property owners

The Manuelitas fire burned 1,400 acres. The Tierra y Montes Soil and Water Conservation and District (SWCD), as local EWP sponsor, and NRCS staff supervised contour felling, 625 acres of aerial seeding, and placement of 3,350 linear feet of straw bale diversions (about 155 structures using 64 tons of straw bales).

The Viveash fire burned nearly 29,000 acres and several structures were damaged or destroyed by flooding after the fire. Of special concern in this area are high quality, cold-water fisheries, limited resource farmers (80 percent of the private landowners in the burn area are Hispanic; 70 percent live below the national poverty level), acequias (group irrigation ditches), and loss of marketable timber on private land. The Tierra y Montes Soil and Water Conservation District (SWCD) was the local sponsor for the installation of straw bale diversions, seeding, trash guards, wattles, and sandbags. NRCS and District staff provided one-on-one technical assistance to ranchers and other landowners in the affected area and to the Forest Service on aerial seeding mixes.

The La Cueva fire burned nearly 575 acres and destroyed 60 loads of cut timber and a loading truck. The Western Mora Soil and Water Conservation District (SWCD) was the local sponsor for the installation of 575 acres of aerial seeding (using 11,500 pounds of native grass and small grains), 453 linear feet of straw bale diversions (about 67 structures), and some hand seeding by land owners and local high school students. NRCS field staff and the sponsor provided technical and financial assistance to three landowners.

West Virginia

An early morning thunderstorm dumped 8-11" of rain within seven hours on July 8, 2001 in southern West Virginia. By the time the flash flood was over two people had died, more than 3,500 homes were damaged or destroyed, 60 water systems were out of service, and more than 100 roads were closed. The flood swept homes, cars, trees, and other materials into the streams and left behind massive destruction and several feet of mud.

NRCS and the WV Soil Conservation Agency began documenting damages as the flood waters were rising. A flood recovery office was established in Beckley and NRCS detailed 57 employees to work in disaster recovery teams with WV Soil Conservation Agency and soil conservation district employees. Stream blockage and debris removal was underway. Surveying and design began for stream restoration efforts. Unfortunately, additional rainfall on July 26 and 29 caused more flooding, another death, and two more counties to be added to the disaster declaration. Downtown Mullens, hit hard in the earlier flood, was covered in 3 feet of water Wednesday night because clogged storm drains backed up. The flooding would have been even more severe had NRCS and the WV Soil Conservation Agency not been removing stream blockages from the July 8 flood.

One bright note is that three projects installed through the NRCS Watershed Protection and Flood Prevention Program protected their communities. A resident of Sophia, stated that "The Soak Creek Project paid for itself this month. Without the project, Sophia would have suffered flood damages in excess of what it cost to construct the project."

The flooded areas were described as looking like a "war zone." "We've removed 3 house trailers that were broken apart like kindling wood," stated an NRCS Soil Conservation Technician. His crew also removed "trees, photo albums and a freezer full of meat." "Crews have been working to remove stream blockages and debris as quickly as possible. Even moderate rainfall can cause additional flooding if debris is blocking a stream." The State Conservationist reported that "The late July flooding would have been even more severe had NRCS and the WV Soil Conservation Agency not been removing stream blockages from the July 8 flood."

Rushing floodwaters eroded streambanks and undercut buildings in some places. One church property lost 20'of streambank in the flood. Streambank restoration efforts to protect these homes, churches, and businesses began in mid-August. Gabions and rock riprap were placed to stabilize stream banks that have been eroded away.

Selected Examples of Recent Progress - Floodplain Easement

Illinois

The Illinois NRCS started the Upper Wabash River Floodplain Easement Project following record flooding in the spring and summer of 1998. The project includes portions of Clark, Crawford, and Lawrence counties. In the spring and summer of 1998 the river crested in Clark County, Illinois at just over 24 feet, 8 feet over floodstage. The timing of the flooding in late June and early July drowned out previously planted crops and eliminated the opportunity to re-plant areas flooded out.

The NRCS held an informational meeting and luncheon in mid-July, 1998 following press releases to inform the public of the new project area and to provide background information about the floodplain easement program. Approximately 120 interested landowners attended the luncheon to ask questions and find out more about the program. After the luncheon, 75 landowners applied for the program, interested in enrolling over 5,000 acres. As the project progressed more applications were received and core areas were developed to form clusters of easements. To date, the NRCS has recorded easements on 6,803 acres. There is a backlog of eligible applicants waiting for funding in this project area consisting of 29 applicants for 2,935 acres at an estimated cost to acquire and restore these acres of $4 million.

The floodplain easement acres are being restored to a diverse floodplain habitat. Historically, these sites were bottomland hardwood forests with sloughs and backwater ponds. The NRCS attempts to replicate these areas by excavating shallow slough segments, potholes, and meander scars. Whenever possible, existing levees are breached to re-connect the river to the floodplain. Ditch plugs and low-level berms are installed across open ditches to aid in wetland water retention and duration. The sites are then planted to a variety of bottomland hardwood trees adapted to growing in the frequently flooded conditions.

The floodplain easement component has allowed a number of landowners to reduce their debt on marginal cropland or allowed them to re-invest in more productive farmland. In many instances, the program allowed landowners to enroll the floodplain portions of their farm and pay off portions of their debt that could have resulted in the landowners losing the entire farm. The floodplain easement component benefits the public by reducing future crop disaster payments while enhancing wildlife habitat, increasing flood storage and improving the quality of water within the Wabash River watershed.

FY 2001 EWP STATE ALLOCATIONS
REFLECTS THE USE OF PRIOR YEAR APPROPRIATION CARRYOVER AND THE FY 2001 APPROPRIATION AND SUPPLEMENTAL APPROPRIATION

STATE	EWP ALLOWANCE
Alabama	$3,997,254
Alaska	983,043
Arizona	6,696,800
Arkansas	5,716,615
California	15,186,100
Colorado	1,560,100
Connecticut	50,000
Delaware	5,000
Florida	1,931,000
Georgia	793,600
Hawaii	4,630,000
Idaho	346,787
Illinois	5,496,100
Indiana	1,395,100
Iowa	7,678,500
Kansas	88,100
Kentucky	329,500
Louisiana	4,245,800
Maine	12,500
Maryland	78,681
Massachusetts	407,017
Michigan	113,200
Minnesota	6,371,500
Mississippi	6,735,700
Missouri	2,486,280
Montana	395,410
Nebraska	$1,555,880
Nevada	664,761
New Jersey	109,200
New Hampshire	51,000
New Mexico	1,142,908
New York	393,200
North Carolina	13,068,800
North Dakota	2,850,500
Ohio	1,668,933
Oklahoma	20,062,133
Oregon	1,235,400
Pennsylvania	81,700
Pacific Basin	49,200
Puerto Rico	93,700
Rhode Island	29,600
South Carolina	243,814
South Dakota	3,669,490
Tennessee	699,000
Texas	7,220,450
Utah	4,572,400
Vermont	294,300
Virginia	40,600
Washington	22,500
West Virginia	6,619,000
Wisconsin	1,118,025
Wyoming	187,800
TOTAL	$145,473,981

NATURAL RESOURCES CONSERVATION SERVICE
REHABILITATION OF AGING WATERSHED DAMS

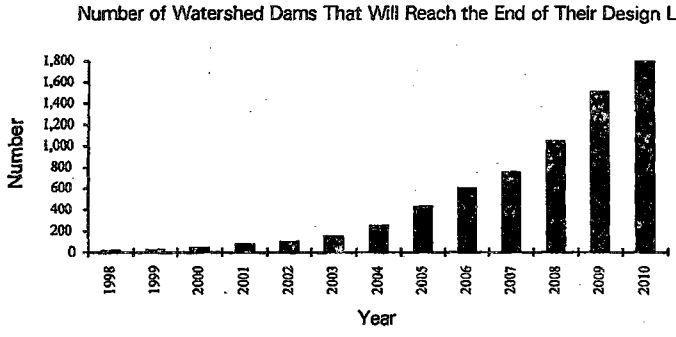
STATUS OF PROGRAM

Background

Local communities have constructed more than 11,000 watershed dams with assistance from the Natural Resources Conservation Service (NRCS) since 1948. These dams have helped protect America's communities and natural resources for many years. They not only provide flood control for downstream communities, but many also provide the main source of drinking water for some areas, as well as recreation and wildlife areas for others. These projects have become an integral part of the communities they were designed to protect. But like highways, utilities, and other community infrastructure, these dams need to be upgraded to protect public health and safety and to meet changing needs.

Some communities that have been protected by these watershed dams for many years are now more vulnerable to the devastation caused by flooding again because many of the dams have reached or will soon reach the end of their 50-year design life. Time has taken its toll on many of the dams as pipes have deteriorated, reservoirs have filled with sediment, and subdivisions and businesses have been built where there was once agricultural land. If a dam should fail, it would pose a serious threat to the health and safety of those living downstream and to the communities that depend on the reservoir for drinking water. A dam failure could also create adverse environmental impacts in the same downstream floodplain that it has been protecting for years.

Background information and case studies of rehabilitation needs of watershed dams across the nation can be found at http://www.ftw.nrcs.usda.gov/pl566/agingwater/infra.htm.



New Authorizing Legislation

Public Law 106-472 "The Small Watershed Rehabilitation Amendments of 2000" authorizes NRCS to assist communities to address public health and safety concerns and environmental impacts of 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. NRCS may provide 65 percent of the total cost of the rehabilitation projects, however federal funds cannot be used for operation and maintenance activities. Rehabilitation also provides opportunities for communities to gain new benefits, such as adding municipal and irrigation water supplies, recreation, and wetland and wildlife enhancement.

Response from Communities
Since enactment of the legislation, NRCS has been flooded with requests from project sponsors requesting assistance with rehabilitation of their aging dams. By April 2001, more than 430 communities had requested NRCS assistance with rehabilitation of 1450 watershed dams with an estimated rehabilitation cost of more than one-half billion dollars.

Pilot Rehabilitation Projects
The FY 2000 and 2001 Agricultural Appropriations Act included authorization for a total of $16 million of emergency watershed protection (EWP) program funds for pilot rehabilitation projects in New Mexico, Mississippi, Ohio and Wisconsin. The maximum amount of federal funds eligible for these pilot projects was 65 percent of the total rehabilitation project costs. NRCS personnel are working closely with local project sponsors, state dam safety agencies, and community leaders on high priority pilot projects that address public safety concerns and environmental issues. The FY 2000 pilot projects include 15 dams in 10 projects in the 4 states. Planning and interagency reviews are completed on all the projects. Designs are essentially complete and construction has begun on a few of the projects. A series of case studies on these pilot projects can be found at the web address noted above. The FY 2001 projects include 13 dams in 11 watershed projects in the 4 states. Planning of these rehabilitation projects has begun and is anticipated to be completed in late winter 2002 with designs and construction beginning later that year.

Appropriations
Congress did not appropriate funds for rehabilitation under PL-472 in FY 2001. The FY 2002 Agriculture Appropriations Bill includes $10 million to begin to implement the Watershed Rehabilitation Program authorized by PL-472. Priority for the funds will be given to those structures which pose the highest risk to life and property.

NATURAL RESOURCES CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

[Forestry Incentives Program]

[For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Assistance Act of 1978 (U.S.C. 2101), including technical assistance and related expenses, 6,811,000, to remain available until expended, as authorized by that Act.]

NATURAL RESOURCES CONSERVATION SERVICE

Forestry Incentives Program

Appropriations Act, 2002	$6,811,000
Budget Estimate, 2003	--
Decrease in Appropriation	-$6,811,000

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2002 Estimated	Pay Costs	Program Changes	2003 Estimated
Cost-sharing to landowners	$6,129,900	--	-$6,129,900	--
FS Technical Assistance	681,100	--	-681,100	--
Total Available	$6,811,000	--	-$6,811,000	--

Project Statement
(On basis of adjusted appropriation)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
Cost-share to landowners	$5,679,977	--	$6,129,900	--	-$6,129,900	--	--
FS Technical Assistance	631,108	--	681,100	--	-681,100	--	--
Total, Appropriation	$6,311,085	--	$6,811,000	--	-$6,811,000	--	--
Rescission PL 106-113	+13,915						
Total appropriation	$6,325,000	--					

Project Statement
(On basis of available funds)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
Cost-share to landowners	$9,940,960	--	$7,730,725	--	-$7,730,725	--	--
FS Technical Assistance	786,965	--	681,100	--	-681,100	--	--
Total Obligation	10,727,925	--	8,411,825	--	-8,411,825	--	--
Unobl. Balance, start of year	(-2,775,711)	--	(-1,600,825)	--	(+1,600,825)	--	--
Prior Year recoveries	(-3,241,954)						
Unobl. Balance, end of year	(+1,600,825)	--	--	--	--	--	--
Total Appropriation	($6,311,085)	--	($6,811,000)	--	(-$6,811,000)	--	--
Total Available or Est.	$10,727,925	--	$8,411,825	--	-$8,411,825	--	--

OUTLAYS

	2001 Actual	2002 Estimate	Increase or Decrease	2003 Estimate
Forestry Incentives Program	$8,251,525	$6,805,000	-$3,501,000	$3,304,000

Justification of Increases and Decreases

(1) A decrease of $6,811,000 to eliminate the Forestry Incentives Program (FIP).

This decrease is being proposed to reflect the Administration's efforts to eliminate programs that have a limited scope, that have highly localized benefits, and that can be addressed through other existing programs.

NATURAL RESOURCES CONSERVATION SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2001 Actual and Estimated 2002 and 2003
FORESTRY INCENTIVES PROGRAM

	2001 AMOUNT	2002 AMOUNT	2003 AMOUNT
ALABAMA	1,083,220	497,021	--
ALASKA	12,489	507,700	
ARKANSAS	737,093	427,358	--
CALIFORNIA	166,210	47,300	--
COLORADO	4,902	4,600	--
DELAWARE	40,249	32,657	--
FLORIDA	1,173,716	833,363	--
GEORGIA	832,424	702,856	--
HAWAII	22,400	13,500	--
IDAHO	29,259	19,223	--
ILLINOIS	29,112	25,000	--
INDIANA	43,562	37,400	--
IOWA	23,030	20,400	--
KANSAS	10,473	19,700	--
KENTUCKY	28,069	29,583	--
LOUISIANA	747,950	452,402	--
MAINE	29,371	22,600	--
MARYLAND	66,937	82,359	--
MASSACHUSETTS	11,309	10,700	--
MICHIGAN	42,713	39,900	--
MINNESOTA	49,511	36,327	--
MISSISSIPPI	669,090	464,599	--
MISSOURI	14,681	13,700	--
MONTANA	6,579	2,800	--
NEBRASKA	3,990	2,600	--
NEW HAMPSHIRE	35,368	23,475	--
NEW JERSEY	6,255	4,100	--
NEW YORK	48,915	30,600	--
NORTH CAROLINA	520,402	382,540	--
OHIO	127,287	86,816	--
OKLAHOMA	97,688	57,822	--
OREGON	354,709	245,808	--
PENNSYLVANIA	42,286	28,500	--
PUERTO RICO	856	26,600	
SOUTH CAROLINA	995,965	637,620	--
SOUTH DAKOTA	13,066	10,200	--
TENNESSEE	48,972	361,237	--
TEXAS	547,851	623,501	--
VERMONT	28,420	22,793	--
VIRGINIA	501,809	376,689	--
WASHINGTON	298,930	174,491	--
WEST VIRGINIA	58,551	28,500	--
WISCONSIN	288,623	97,316	--
WYOMING	42,494	39,800	--
HEADQUARTERS	4,173	--	--
UNDISTRIBUTED	--	126,669	--
Subtotal	$9,940,960	7,730,725	--
FS Technical Assistance	786,965	681,100	--
Total Available or Estimate	10,727,925	8,411,825	--

NATURAL RESOURCES CONSERVATION SERVICE
FORESTRY INCENTIVES PROGRAM

STATUS OF PROGRAMS

The Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127) reauthorized the Forestry Incentives Program (FIP) through the year 2002. Originally authorized under the Cooperative Forestry Assistance Act of 1978 (P.L. 95-313), FIP is a voluntary program which helps landowners install practices such as tree planting, timber stand improvements, and other related practices on non-industrial private forest lands. The purpose of FIP is to increase the production of sawtimber and pulpwood on non-industrial private forestlands, while simultaneously ensuring effective natural resource management on forestland. This practice is done by providing technical and financial assistance to eligible forest landowners. FIP is a nationwide program available in counties designated on the basis of a Forest Service survey of total eligible private timber acreage that is potentially suitable for the production of timber products. FIP supports the NRCS strategic goal 1--which relates to a healthy and productive land that helps fulfill the need for forestry activity on private lands.

FIP provides many indirect benefits that reforestation provides, including improving water quality, creating wildlife habitat, assisting landowners with limited resources, and ensuring the Nation's supply of timber. Private land stewardship does not cease at cropland and pastureland. While the FIP authorizing legislation clearly identifies timber production as the primary objective of the program, "so as to provide for the production of timber and other forest resources associated therewith" (16 U.S.C. 2103), NRCS, in some States, has expanded the objectives of the program to include additional environmental considerations.

Current Activities: Technical assistance is provided to FIP participants by the State forester. Annually, NRCS allocates 10 percent of its appropriated FIP funds to the U.S. Forest Service (FS). In return, the State foresters, working in conjunction with the FS, are responsible for the technical phase of planning and installing practices. The following three practices can be funded up to 65 percent cost-share: tree planting; improving a stand of forest trees; and site preparation for natural regeneration. The maximum payment limitation is $10,000 per individual per fiscal year. Once an eligible landowner requests assistance through NRCS, a representative of the State forestry agency, who provides technical assistance, examines the landowner's property to certify the need for the practice(s) and to develop a forest management plan.

After a forest management plan is developed and approved by the State forestry agency, landowners may enter into annual agreements. The plan forms the basis of the annual agreement. Long-term agreements are not available. The State forestry agency must certify that the project has been completed satisfactorily before cost-share payments can be made. To be eligible for cost-share assistance, a landowner must:

- Own no more than 1,000 acres of eligible forestland capable of producing at least 50 cubic feet of wood per acre per year. In the public interest, the NRCS State conservationist, with the State forester's concurrence, may grant an exception for larger acreage; however, a landowner cannot own more than 5,000 acres;
- Be a private landowner of non-industrial forestland, and;
- Be an individual, group, association, or corporation whose stock is not publicly traded, provided they are not primarily engaged in the business of manufacturing forest products or providing public utility services;
- Be a forest landowner who manufactures forest products on a part-time or periodic basis;
- Have land that is suitable for one of the following:
    - Afforestation;
    - Reforestation of cutover and other non-stocked and under-stocked forest land; or
    - Intensive multipurpose management and the protection of forest resources.

FIP Practices:

Planting Trees (FP-1): This practice increases the production of timber and improves the environment. Site preparation for tree planting is an authorized part of the practice if certified, as necessary, by a representative of the State forestry agency.

Timber Stand Improvement (FP-2): This practice increases the growth of trees on sites suitable for production of saw-timber and veneer logs. Softwood and hardwood improvement practices may also qualify. Pre-commercial thinning, pruning of crop trees, and releasing desirable seedlings and young trees are acceptable measures.

Site Preparation for Natural Regeneration (FP-3): This practice establishes a stand of forest trees through natural regeneration for timber production purposes and to preserve as well as improve the environment.

Special Forestry Practices (SF): A special forestry practice may be approved by NRCS after consultation with the Forest Service when significant and unique local conditions for which the national practices are not adequate.

Acres of practices installed in FY 2001.
Tree Planting – 93,330 acres
Timber Stand Improvement – 25,230 acres
Site Preparation for Natural Regeneration – 972 acres

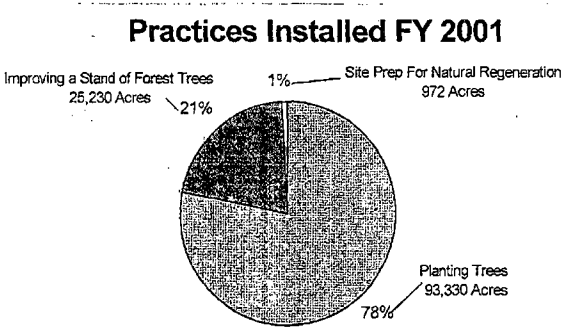


Table 2: Forestry Incentives Program, Outlays and Number of Participants

Fiscal Year	Outlays	Participants
1989	$10,191,262	5,048
1990	10,759,175	4,760
1991	14,222,122	5,417
1992	12,975,545	5,179
1993	13,122,438	5,467
1994	12,325,814	5,614
1995	9,258,119	4,520
1996	6,555,923	3,124
1997	5,262,406	3,953

Fiscal Year	Outlays	Participants
1998	4,551,947	3,877
1999	5,044,640	5,128
2000	7,212,525	4,049
2001	6,565,623	3,841

Table 3: Forestry Incentives Program, Number of Acres

Fiscal Year	Tree Planting	Timberstand Improvement	Site Preparation for Natural Regeneration
1989	164,133	30,533	3,617
1990	150,717	33,199	2,811
1991	176,201	36,447	2,374
1992	161,767	43,192	3,487
1993	175,742	35,426	2,443
1994	188,017	35,263	3,510
1995	141,194	22,540	1,845
1996	105,650	19,403	1,451
1997	106,665	21,706	2,459
1998	81,579	18,322	1,559
1999	82,172	19,860	4,182
2000	117,026	23,709	10,280
2001	93,330	25,230	972

Table 4: Forestry Incentives Program, Appropriations by Fiscal Year

Fiscal Year	Appropriation
1993	$12,446,000
1994	12,820,000
1995	6,625,000
1996	6,325,000
1997	6,325,000
1998	6,325,000
1999	16,325,000
2000	5,376,000
2001	6,311,000

Funds are allocated to States based on, but not limited to the following factors: acreage of private commercial forest land in each State; potential productivity of such land; number of land holdings eligible for cost-share payments in each State; need for reforestation, timber stand improvement, or other forestry investments on such land holdings; and enhancement of other forest resources. Other factors such as the earnings and obligations for the previous two years are also considered. Fund shift requests are considered throughout the year.

At the State level, the State Conservationist will allocate funds based on input from the State Forester and State Technical Committee with input from the State Forestry Committee.

NATURAL RESOURCES CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored, deleted matter enclosed in brackets):

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 section 32(e) of title III 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 the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), [$48,048,000] $52,031,000, to remain available until expended (7 U.S.C. 2209b): Provided, that this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

NATURAL RESOURCES CONSERVATION SERVICE

Resource Conservation and Development Program

Appropriations Act, 2002		$48,048,000
Budget Estimate, 2003		52,031,000
Increase in Appropriation		+3,983,000
Adjustments in 2002:		
Appropriations Act, 2002	$48,048,000	
Transfer in Estimates for Retirement/Health Pension Benefits a/	2,865,000	
Adjusted base for 2002		50,913,000
Budget Estimate 2003		52,031,000
Increase over adjusted 2002		+$1,118,000

a/ Estimates for Retirement/Health Pension Benefits are included in the budgets of agencies as a one time shift of funds. On a comparable basis the full annual cost of the activity is $2,952,000 for 2003.

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

Item of Change	2002 Estimated	Pay Costs	Other Changes	2003 Estimated
Resource Conservation and Development:				
1. Technical Assistance	$50,778,000	+$1,031,000	+$87,000	$51,896,000
2. Financial Assistance	135,000	--	--	135,000
3. Loan Services	--	--	--	--
Total Available	$50,913,000	+$1,031,000	+$87,000	$52,031,000

Project Statement
(On basis of appropriation)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
Resource Conservation and Development:							
1. Technical Assistance	$44,657,567	439	$50,778,000	503	+$1,118,000 (1)	$51,896,000	491
2. Financial Assistance	--:	--:	135,000:	--:	--	135,000:	--
3. Loan Services	--:	--:	--:	--:	--	--:	--
Total, Available or Estimate	$44,657,567	439	$50,913,000	503	+$1,118,000	$52,031,000	491
Retirement/Health Pension Benefits	-2,735,000	--:	-2,865,000	--:			
Recission (PL 106-554)a/	+92,433	--:	--:	--:			
Total Appropriation	$42,015,000	439	$48,048,000	503			

Project Statement
(On basis of available funds)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
Resource Conservation and Development:							
1. Technical Assistance 1/.	$43,308,607	439	$52,718,750	503	-$822,750	$51,896,000	491
2. Financial Assistance	74,000	--	223,000	--	-88,000	135,000	--
3. Loan Services	--	--	--	--	--	--	--
Total, Direct Obligations	43,382,607	439	52,941,750	503	-910,750	52,031,000	491
Retirement/Health Pension Benefits	(-2,735,000)	--	(-2,865,000)	--	(+2,865,000)		
Unobligated Balance, Start of Year 2/	(-260,667)	--	(-2,028,750)	--	(+2,028,750)	--	--
Prior Year Recoveries	(-493,126)	--	--	--	--	--	--
Unobligated Balance, End of Year 3/	(+2,028,750)	--	--	--	--	--	--
Adjusted Appropriation	(41,922,564)	(439)	(48,048,000)	(503)	(+3,983,000)	(52,031,000)	(491)
Reimbursable Obligations:							
(a) Technical Assist	267,875	3	1,267,000	3	--	1,267,000	5
(b) Financial Assist	79,825	--	33,000	--	--	33,000	--
Total Reimbursable Oblig	347,700	3	1,300,000	3	--	1,300,000	5
Obligational Authority	$43,730,307	442	$54,241,750	506	-$910,750	$53,331,000	496

1/ Includes Forest Service Direct Obligations of $194,188 in FY 2001.
2/ Includes Unobligated Balance, Start of Year for the Forest Service of $63,242 for FY 2001, and $102,251 for FY 2002..
3/ Includes Unobligated Balance, End of Year for the Forest Service of $102,251.

SOURCES OF REIMBURSEMENTS

Project	2001 Actual	2002 Estimated	Increase or Decrease	2003 Estimated
Federal Sources	$205,800	$499,000	--	$499,000
Non-Federal Sources	141,900	801,000	--	801,000
Total Reimbursements	$347,700	$1,300,000	--	$1,300,000

OUTLAYS

Project	2001 Actual	2002 Estimated	Increase or Decrease	2003 Estimated
Resource Conservation & Development	$38,397,806	$52,459,000	+$44,000	$52,503,000

MAIN WORKLOAD FACTORS

		2001 Actual	2002 Estimate	2003 Estimate
Status of Authorized RC&D Areas:				
Areas authorized start of year		315	348	368
Areas Deauthorized in year		--	--	--
New areas authorized in year		33	20	--
Areas authorized end of year		348	368	368
Applications on hand		(27)	(30)	(30)
RC&D Project Activity:				
Project Plans:				
Adopted	During year	2,978	3,000	3,000
	Cumulative	71,338	74,338	77,338
Ongoing	During year	7,732	5,000	5,000
Completed	During year	3,043	3,000	3,000
	Cumulative	52,241	55,241	58,241

Input of Resources to Projects ($000):
(Resources provided for accomplishing completed projects. Includes direct technical and financial assistance attributable to a project.)

-- RC&D resources	During year	0	0	0
-- Other Federal	During year	$53,655	$60,000	$60,000
-- State government	During year	$50,386	$50,000	$50,000
-- Local government	During year	$4,980	$15,000	$15,000
-- Non-government	During year	$47,878	$50,000	$50,000

Rural Development Loans:

Item	2001 Actual No.	2001 Actual Amount	2002 Estimated No.	2002 Estimated Amount	2003 Estimated No.	2003 Estimated Amount
1. Loans obligated during year	0	0	0	0	0	0
2. Borrowers outstanding	46	$1,691,000	46	$1,691,000	46	$1,691,000
3. Loans cumulative	292	$29,484,709	292	$29,484,709	292	$29,484,709

Justification of Increases and Decreases

(1) An increase of $1,118,000 for the Resource Conservation and Development (RC&D) program consisting of:

(a) An increase of $1,031,000 for pay costs which includes $376,000 for annualization of fiscal year 2002 pay raise and $655,000 for anticipated fiscal year 2003 pay raise:

Absorption of pay costs in FY 2003 is not feasible and would reduce NRCS staffing by approximately 10 FTE, resulting in the loss of 5 RC&D area offices, and disrupt important activities begun in FY2002.

(b) An increase of $87,000 for Employee Pension and Annuitant Health Benefits:

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

NATURAL RESOURCES CONSERVATION SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
2001 Actual and Estimated 2002 and 2003
RESOURCE CONSERVATION AND DEVELOPMENT

	2001		2002		2003	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
ALABAMA	$977,037	10	$1,069,337	10	$1,054,472	10
ALASKA	690,629	5	848,373	8	836,939	8
ARIZONA	647,301	6	727,852	7	717,734	7
ARKANSAS	750,838	6	836,775	8	825,144	9
CALIFORNIA	1,079,665	7	1,200,807	12	1,184,115	12
COLORADO	773,682	9	836,775	9	825,144	8
CONNECTICUT	224,918	2	239,124	2	235,800	2
DELAWARE	108,103	1	119,509	1	117,848	1
FLORIDA	818,776	8	797,292	8	786,209	8
GEORGIA	1,210,842	14	1,325,609	14	1,307,182	14
HAWAII	442,068	4	478,142	5	471,496	5
IDAHO	880,872	10	956,496	11	943,200	10
ILLINOIS	1,220,010	15	956,496	11	943,200	10
INDIANA	892,037	11	956,496	11	943,200	10
IOWA	1,571,182	21	1,684,242	21	1,660,830	20
KANSAS	896,809	11	956,496	11	943,200	10
KENTUCKY	1,437,420	17	1,554,148	17	1,532,544	16
LOUISIANA	657,730	7	717,266	7	707,296	7
MAINE	547,075	6	597,651	6	589,344	6
MARYLAND	316,931	4	358,633	4	353,648	4
MASSACHUSETTS	219,117	2	239,124	2	235,800	2
MICHIGAN	770,666	9	836,775	9	825,144	9
MINNESOTA	919,646	11	956,496	11	943,200	9
MISSISSIPPI	769,398	10	836,775	10	825,144	10
MISSOURI	888,780	12	956,390	12	943,096	11
MONTANA	757,907	7	836,775	8	825,144	8
NEBRASKA	1,007,463	13	1,076,005	13	1,061,048	13
NEVADA	326,792	3	358,633	3	353,648	3
NEW HAMPSHIRE	222,158	3	239,124	3	235,800	3
NEW JERSEY	219,673	2	239,124	2	235,800	2
NEW MEXICO	882,189	11	956,496	11	943,200	11
NEW YORK	885,818	11	967,082	11	953,639	11
NORTH CAROLINA	1,094,228	11	1,195,515	12	1,178,896	12
NORTH DAKOTA	859,704	7	956,496	9	943,200	9
OHIO	865,057	7	963,059	9	949,672	9
OKLAHOMA	947,562	11	1,076,005	11	1,061,048	11
OREGON	553,464	6	597,757	6	589,448	6
PACIFIC BASIN	104,952	1	119,509	1	117,848	1
PENNSYLVANIA	878,999	10	956,496	10	943,200	10
PUERTO RICO	358,013	4	358,633	4	353,648	4
RHODE ISLAND	108,840	1	119,509	1	117,848	1
SOUTH CAROLINA	652,869	6	836,775	8	825,144	8
SOUTH DAKOTA	641,001	5	836,775	8	825,144	8
TENNESSEE	968,373	13	1,076,005	12	1,061,048	12

	2001		2002		2003	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
TEXAS	1,952,496	19	2,427,972	22	2,394,222	22
UTAH	756,372	7	836,775	8	825,144	8
VERMONT	217,370	2	249,709	2	246,238	2
VIRGINIA	555,288	7	597,757	6	589,448	6
WASHINGTON	536,974	4	836,775	8	825,144	8
WEST VIRGINIA	671,714	9	717,266	7	707,296	7
WISCONSIN	545,034	6	717,266	7	707,296	7
WYOMING	432,853	4	597,757	6	589,448	6
NATIONAL HDQTR	4,687,154	26	4,163,941	20	4,092,060	20
CNTRS/INSTITUTES	351,801	--	2,015,671	5	1,987,652	5
EAST REGION	--		--		--	
MIDWEST REG	149,722	1	164,709	2	162,419	2
N. PLAINS REG	110,902	2	264,635	3	260,956	3
SO. CENTRAL REG	86,227	1	141,844	1	139,873	1
SOUTHEAST REG	--		--		--	
WEST REGION	87,915	1	158,993	2	156,783	2
FOREST SERVICE	194,188	1	300,000	1	135,000	1
UNDISTRIBUTED	--		3,941,453	34	3,886,669	31
Total Available or Estimate	$43,382,605	439	$52,941,750	503	$52,031,000	491

NATURAL RESOURCES CONSERVATION SERVICE
RESOURCE CONSERVATION AND DEVELOPMENT

STATUS OF PROGRAM

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 Agriculture 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 RC&D program authority was extended through 2002 by the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act).

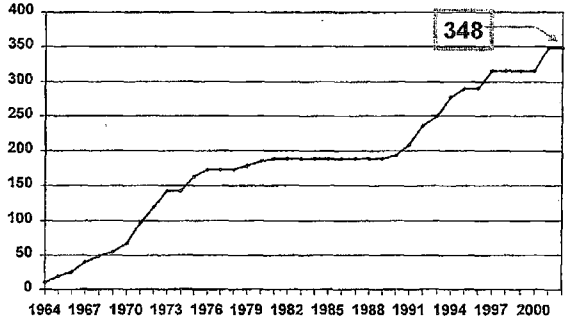
The Natural Resources Conservation Service (NRCS) provides program administration. Assistance is provided, as authorized by the Secretary of Agriculture, to RC&D areas through their volunteer, non-profit RC&D Councils. Additional USDA agencies that have conservation or development activities--Economic Research Service, Cooperative State Research, Education and Extension Service, Forest Service, Farm Services Agency, and Rural Development--are involved in the development of program policy and guidance as members of the USDA RC&D Policy Advisory Board and Working Group. In addition to administrative support, these agencies provide limited technical and financial assistance to RC&D Councils. Councils also obtain the assistance of other local, State, and Federal agencies; private organizations; and foundations to carry out their specific projects.

The RC&D program is a unique combination of private enterprise and creative federalism, which encourages the blending of natural resource use with local economic and social values. RC&D Councils and their sponsors, in association with State, local, and Federal governments, and non-profit organizations, initiate and lead the planning and implementation of their locally developed RC&D area plans.

Program objectives address improving the quality of life, including social, economic and environmental concerns; continuing prudent use of natural resources; and strengthening the local citizens ability to utilize available sources of assistance through USDA and other Federal agency partnerships.

Area Operations: Currently, 348 RC&D areas, designated by the Secretary, serve 2,489 counties in all 50 states, the Caribbean, and the Pacific Basin. Forty-one applicant areas, covering 205 additional counties, are currently awaiting the Secretary's designation. The 1990 Food, Agriculture, Conservation and Trade Act limited assistance to not more than 450 active designated areas. Designated areas now serve approximately 81% of U.S. counties and 75% of the U.S. population.

Number of USDA Designated RC&D Areas



An RC&D area is a locally defined multi-county area, sponsored and directed by a council that will carry out a program encouraging natural resource conservation and utilization, accelerated economic development, and/or improvement of social conditions where needed to foster a sound local economy. The council consists of public and private sector sponsors and other local organizations that represent a diverse cross-section of community interests. Sponsors include county and city governments, soil and water conservation districts, substate districts, Tribal governments, and other interested private organizations in the area. This grassroots involvement is highly valuable in shaping decision-making at the local level.

The council holds public meetings to identify community concerns, needs, and problems within its area. The council develops an area plan, with assistance from Federal agencies that states goals, objectives, and action items to address the local communities' priorities and concerns. The council then proceeds to collect information about identified problems, develops alternatives, and recommends solutions. Implementation of an action item may include one step or a full range of steps, such as problem identification, development of alternatives, plan development, funding, and implementation.

RC&D program funds provide technical assistance in the form of a USDA RC&D coordinator to the council. The RC&D coordinator is a facilitator for the local people to build and implement their individualized and locally determined program, as identified in the area plan. Coordinators work closely with councils to plan, develop, and implement their area plan. The coordinator acts as a team coach, facilitator, liaison, and technical consultant to assist the council in its activities. The coordinator is a vital and important link between the RC&D council, it's other partners, and the USDA. The goal is an empowered Council that has the capacity to build effective public/private partnerships that result in strong rural community leadership and accomplishments.

Status of Resource Conservation and Development Program
As of September 30, 2001

State	Area Applications on Hand			Areas Designated for Assistance		
	No.	Acres	Counties	No.	Acres	Counties
Alabama	--	--	--	9	32,898,231	67
Alaska	4	54,400,000		7	158,124,000	6
Amer. Samoa	1	49,520	17	0	0	0
Arizona	--	--	--	6	90,243,391	27
Arkansas	--	--	--	7	33,314,813	75
California	3	10,556,034	9	10	81,630,715	43
Colorado	1	4,576,840	6	7	56,069,641	49
Connecticut	--	--	--	2	3,127,056	8
Delaware	--	--	--	1	1,265,920	3
Florida	6	7,308,647	19	6	20,225,110	38
Georgia	--	--	--	11	29,427,813	126
Hawaii	--	--	--	4	4,083,810	4
Idaho	--	--	--	8	56,971,949	40
Illinois	2	4,181,334	11	8	20,763,939	63
Indiana	1	1,198,218	4	8	14,048,558	58
Iowa	3	5,109,605	14	14	24,896,799	77
Kansas	--	--	--	8	29,656,952	58
Kentucky	1	1,184,061	7	13	23,653,075	108
Louisiana	1	4,300,000	8	6	27,031,761	55
Maine	--	--	--	5	19,106,313	16
Maryland	--	--	--	3	4,540,502	17
Massachusetts	1	1,139,008	4	2	3,988,405	10
Michigan	1	3,324,300	7	7	32,271,415	71
Minnesota	--	--	--	8	46,265,618	68
Mississippi	--	--	--	6	35,377,898	88
Missouri	1	3,052,339	8	8	27,021,426	67
Montana	1	6,530,936	23	9	78,379,167	49
Nebraska	3	6,530,936	23	9	38,873,812	70
Nevada	--	--	--	7	57,752,667	14
New Hampshire	--	--	--	2	5,871,374	10
New Jersey	1	378,880	4	2	4,416,936	17
New Mexico	--	--	--	8	84,320,670	33
New York	--	--	--	8	30,509,978	61
North Carolina	1	1,943,935	6	10	19,059,158	62
North Dakota	--	--	--	8	44,405,257	53
Ohio	1	2,872,040	9	8	23,125,737	77
Oklahoma	--	--	--	9	43,354,710	75
Oregon	--	--	--	5	34,474,233	29
Pacific Basin	--	--	--	1	896,000	2
Pennsylvania	1	2,937,514	7	8	25,452,562	58
Puerto Rico	1	520,555	1	3	1,665,883	8
Rhode Island	--	--	--	1	677,120	5
South Carolina	--	--	--	7	19,765,968	47
South Dakota	--	--	--	7	43,046,818	41

State	Area Applications on Hand			Areas Designated for Assistance		
	No.	Acres	Counties	No.	Acres	Counties
Tennessee	1	1,867,520	6	9	17,031,099	66
Texas	3	17,997,085	25	20	151,237,823	227
Utah	--	--	--	7	56,021,926	33
Vermont	--	--	--	2	6,107,890	14
Virginia	2	2,554,584	7	5	9,568,262	39
Washington	--	--	--	7	28,535,520	23
West Virginia	--	--	--	6	15,477,529	54
Wisconsin	--	--	--	6	30,827,790	59
Wyoming	--	--	--	5	63,247,053	23
TOTALS	41	142,835,543	205	348	1,813,108,052	2,491

For multistate areas in the above table, the number of applications and areas designated is tabulated for the States having leadership and responsibility for the RC&D area. The "Acreage" column reflects actual acreage in each State covered by the applications or areas. The "Counties" column reflects whole and parts of counties in the States in which they are located and not in the State that has leadership. For States having portions of counties in more than one designated RC&D area, or on file as an application, the "Counties" column reflects no duplications.

Program Support: Program leadership is assigned to NRCS which provides the council support in the form of a staff person, the USDA RC&D coordinator, and an office. NRCS and other USDA agencies provide USDA planning assistance, as well as technical assistance for implementing the plan, with expertise on the specific issues involved.

The Forest Service (FS) provides assistance to councils and their committees as requested by individual councils. This is accomplished primarily through State forestry agencies. The Cooperative State Research, Education and Extension Service (CSREES) provides arrangements for State Cooperative Extension Services in selected RC&D areas to provide educational assistance to meet the councils' special needs. The Rural Development (RD) services RC&D loans that have been made under the Bankhead-Jones Farm Tenant Act, Public Law 75-210, as amended, to local organizations for financing the local share of the cost of installing approved RC&D projects in designated areas.

In addition, other USDA agencies, and agencies from other Federal departments, provide assistance to RC&D councils within their existing authorities and programs as needed. State and local units of government also participate, as well as foundations and private businesses. Thus, RC&D activities are broader than those created by assistance from USDA alone. The RC&D councils rely on the USDA assistance to ensure that their efforts are technically sound and to leverage support from other sources.

The RC&D program continues to respond to management recommendations identified in FY 1995, and councils are continuing to place high priority on the more diversified activities in the area of rural development.

Program Accomplishments: RC&D Councils undertake projects to accomplish the goals set out in their area plans. Since 1964, RC&Ds nationwide have completed 71,403 projects. It is estimated that more than 3,043 RC&D projects were completed in FY 2001 alone. These projects were completed with a combination of USDA, NRCS, and RC&D technical assistance and financial assistance from other sources. Councils are adopting and completing projects that will help their communities socially and economically over the long term.

Projects undertaken by RC&Ds include natural resource improvement, community improvement, forestry, education, economic development, water quantity and quality, recreation and tourism, marketing and merchandising, fish and wildlife, and waste and waste utilization.

Natural resource improvement projects include resource base protection such as soil erosion control, noxious plant and pest control, streambank improvement, preservation of prime land, composting, and mine reclamation; resource studies such as soil, water, plant, and wildlife; energy conservation and alternative sources of energy such as biomass other than wood; and recycling of glass, metals, paper, wood, and furniture.

Community improvement projects can be defined as improving community infrastructure; performing studies on zoning and ordinances, facilities or services needed; constructing and improving public trails; and installing public resources. These can include building community centers; improving old community buildings; constructing, improving or repairing subsidized housing (apartments, single family homes, halfway houses, retirement homes); improving roads; improving and restoring parks, walking and bike trails; and installing dry fire hydrants.

Forestry projects can include performing environmental improvements on forested areas; improving management of forests such as land treatment for production; providing education on safety or harvesting techniques; developing or expanding forest related industries; developing energy sources such as wood waste for energy; developing or improving value added forestry related products; establishing cooperatives; performing studies such as forest inventories, species, or forest products; and improving rural road infrastructure with timber bridges.

Economic development projects include studies such as producer surveys, marketing surveys, or feasibility studies; assisting with grants, loans, or other financing; assisting in the formation or expansion of agriculture or natural resource related businesses such as farm equipment or other agriculture related suppliers, manufacturing, bed & breakfast/motel, or other businesses involved with value-added products. Projects can include improvement of agricultural production such as crop, pasture and range, livestock, and dairy.

Water projects are aimed at the improvement of surface and groundwater quality and quantity. Many deal with pollution control and dispersing water. Projects can include watershed management; construction or rehabilitation of irrigation, flood control and water drainage systems; construction or rehabilitation of aquaculture, wastewater treatment and purification operations; and the efficient use of aquifers.

Recreation and tourism projects include feasibility studies; establishment or improvement of water-based recreational areas for swimming, boating, and canoeing, boat launch sites; establishment or improvement of non water-based recreational areas such golf courses, rodeo arenas, trails, or ball parks; historic site preservation; establishment or upgrade of a tourist attraction; and promotional activities of local tourist attractions such as brochures, place mats, or commercials.

Marketing and merchandising projects include studies; formation of cooperatives, or associations; development of business or marketing plans; and development of advertising and promotional materials for businesses.

Fish and wildlife projects concentrate on the protection, improvement or development of fish and wildlife habitat.

Waste and waste utilization projects include: efficient and environmentally sound disposal of animal waste; development or improvement of a landfill; waste collection; solid waste disposal; and composting.

Indicators used in the NRCS RC&D management and information system are providing several measures of success for the RC&D areas. Reporting areas have indicated that councils and their partners have

created 514 new businesses, helped expand 1,830 businesses, and financially assisted 1,099 businesses. An estimated 7,494 jobs have been created through area projects. The councils have been very effective in obtaining external grant funds, bringing in over $156 million.

Efforts to improve natural resources have resulted in improvement of 878,343 acres of wildlife habitat, improvement of 224,871 acres of lakes, and 5,038 miles of streams.

Educational projects have helped 283,249 people develop new skills. RC&D projects have helped 778,350 economic or socially disadvantaged people.

More information on the RC&D program and linkages to individual RC&D council homepages can be found on the NRCS RC&D homepage at http://www.nhq.nrcs.usda.gov/RCCD/homepag3.htm

Selected Examples of Progress by RC&D Councils

The following examples of council activities reflect the concepts behind the RC&D program and what makes it a truly unique government program. These concepts include: the value of public/private partnerships in making the best use of limited resources; the value of grass-roots involvement in addressing local and regional issues; bringing USDA and other agencies together to focus on common problems and opportunities; leveraging limited Federal funds with private funds to accomplish goals; and achieving a balance between rural economic development and natural resource protection.

Arizona - The Little Colorado River Plateau RC&D serves as the Arizona host for the Four Corners Sustainable Forests Partnership. Twenty-three projects received approximately $1.2 million in grants from the Four Corners Sustainable Forests Partnership in 2001 under their community-based forest restoration program. This grant program addresses the problems of declining forest-based economic activity in communities in the Four Corners region, including but not limited to the increasingly severe wildfire hazards and deteriorating forest health. The projects revolve around funding new uses and applications for small-diameter trees. Thinning small-diameter trees from overgrown forests have reduced wildfire hazard, provided a marketable resource for community-based forest products businesses, and created new jobs.

Georgia -NRCS and the Two Rivers RC&D created a program to help utility companies cut maintenance expenses on more than 150,000 acres of utility transmission rights-of-way while protecting and enhancing the environment. Project WINGS (Wildlife Incentives for Nongame and Game Species) is a utility-based wildlife initiative offering technical and financial incentives to groups and individuals interested in creating wildlife habitat along electrical transmission rights-of-way. The Georgia Power Company was the first utility to adopt this project with a $300,000 funding commitment. The project is now a statewide program funded by three major electric utilities. The use of customized management plans prepared by resource management professionals offers WINGS participants an opportunity to transform eroded brush land into productive wildlife lands. To date, more than 1,000 individuals have been awarded corporate grants to convert over 7,000 acres of rights-of-way brush land to productive habitat. WINGS is a project that can be replicated, and has already been started in South Carolina where it is called *Powerful Wildlife*.

The Rolling Hills RC&D in partnership with the Georgia Department of Human Resources, Department of Family and Children's Services, and Department of Rehabilitative Services has implemented an innovative program called "Wheels to Work" that is helping people get off public assistance (welfare) and back to work. Many of these individuals who participate are single mothers that have never been independent before, never owned a vehicle, and have been unable to obtain credit to purchase vehicles. The Rolling Hills RC&D Council has placed 110 vehicles with clients in the nine county region The funding for these clients was obtained through an appropriation from the Georgia General Assembly and the Lieutenant Governor. Rolling Hills received over $582,000 to purchase vehicles, pay staff, and other needed expenses. These funds were offset by car donations, assistance from local businesses and partners, and volunteer assistance.

Idaho – Homes that lie on the fringe of forests and rangeland face a continuing threat of fire that knows no boundary between private property and wildland. The West Central Highlands RC&D Council obtained funds to develop a Fire Education Corps. The funds were distributed among the West Central Highlands, Southwest Idaho, Three River, Panhandle Lakes, and High Country RC&D Council Areas. All five RC&Ds contracted with the Student Conservation Association (SCA) to put the Corps together. SCA selected 50 applicants, out of 500, who were then trained by experts from the Idaho Department of Lands, Forest Service, and Bureau of Land Management. The Fire Education Corps teams spent the summer of 2001 conducting home safety evaluations and providing homeowners with fire prevention techniques, using the nationally recognized FIREWISE protocol, a program for fire education sponsored by a coalition of state and federal agencies. The teams concentrated their efforts in interface areas where fires might start and spread to homes that were surrounded by dense dry fuels.

Illinois – The Southwestern Illinois RC&D (SWI RC&D) is coordinating the "Confluence Greenway" This project has established a 200-square mile system of parks, conservation and recreation areas centered on the confluence of the Mississippi, Missouri, and Illinois rivers. The major objective is to plan and coordinate a riverfront system of trails, open space, and interpretive centers. Because of its unique partnership with USDA the SWI RC&D was recognized as a lead organization to coordinate the effort. The cost of the initial phase is estimated at $86 million. To date, $35 million has been raised. Many of the project components are to be implemented by the year 2004 with substantial completion by 2006. Upon completion, the region's 2.5 million citizens and the anticipated 11 million annual visitors will encounter a unique and authentic river and open space experience that builds upon the historic, cultural, and natural resources of the entire area.

Iowa – The Northeast Iowa Resource Conservation and Development (RC&D) Council obtained $105,000 for Spectrum Industries, Inc to provide quality vocational training. Spectrum Industries, Inc., is a wood workshop serving over 135 physically and mentally challenged individuals from the Northeast Iowa and Southern Minnesota area. This project has provided quality jobs for persons with disabilities, added value to the lower quality hardwoods in the area, and provides a model that can be replicated throughout the United States. The goal of Spectrum Industries, Inc. is to have this woodworking program continue to grow in ways that allow individuals to move into competitive jobs, and provide high quality products. The RC&D Council worked with many different partners to implement the project. The overall value of the project including grant funds, matching funds, and in-kind contribution is estimated at $300,000.

Mississippi – The Central Mississippi RC&D Council, City of Carthage, NRCS, the Mississippi Department of Environmental Quality, and a group of consulting engineers teamed up to help the City of Carthage meet current water quality standards for the State of Mississippi. Carthage has a population of 4,300 and a watershed that drains into the Pearl River. Wastewater treatment for the city was inadequate to meet new water quality standards. The availability of expensive options was not feasible for a small rural town. Alternatively, traditional methods needed to meet new water quality standards for the city were estimated to cost $1.8 million, resulting in increased taxes for the local citizens. Through assistance from the Central Mississippi RC&D Council, another cost-effective alternative was provided to the city. The alternative was a natural wastewater treatment system costing approximately $650,000. This system saved the town more than $1.1 million and provides clean water releases into the Pearl River.

New York - Over the past three years the NRCS' Grazing Land Conservation Initiative (GLCI) has brought the potential for sustainability to the pastures of livestock producers in Western New York. The Lake Plains RC&D has played a vital role in these efforts. Grazing advocates, hired by the Lake Plains RC&D with GLCI funds, have made hundreds of livestock producers aware of the environmental and economic advantages of prescribed grazing. The Lake Plains RC&D Council's grazing advocates have reached more than 300 producers. The outreach efforts of the Council and its advocates have resulted in interactions with many different audiences, including the Amish and Mennonite communities. Although reluctant to utilize financial assistance from the state and federal government, the Amish and Mennonites have eagerly embraced the GLCI program. The Lake Plains RC&D has helped local farmers develop 41 grazing plans covering approximately 3,000 acres. Additionally, leading this effort has been through the

RC&D having hosted or co-hosted 14 pasture walks and four grazing conferences. Lake Plains RC&D, in association with the Orleans County Soil and Water Conservation District (SWCD), received a grant from the New York State 2000 Agricultural Nonpoint Source Pollution and Abatement Program. The funds are being used to implement grazing plans under the GLCI program. The project provides additional working models for area farmers and demonstrates that conservation practices can protect water quality while also being highly profitable.

Ohio – The Erie Basin RC&D Council has been managing a Revolving Loan Fund for several years. The success of this ongoing project has resulted in three other RC&D areas in Ohio establishing revolving loan fund instruments to serve the citizens in their areas. These revolving loan funds provide money to new and existing businesses primarily in the area of natural resource development. They are designed to create private sector job opportunities and to boost the economy of an area. Partnerships were established with USDA Rural Development, local planning agencies and banks in the RC&D areas. Loans have been made to a variety of businesses including a campground in Huron County for improvements which resulted in higher use of the facilities; a company which recycles 1,000,000 pounds of plastic a week which would otherwise be headed for the landfill; and a charter boat service on Lake Erie which is equipped to handle physically and mentally disadvantaged individuals. These loans have helped businesses in the RC&D areas and have assisted in the creation of new jobs. This is a project that can be easily duplicated throughout the nation.

Pennsylvania – NRCS, along with seven RC&D Councils, local Conservation Districts, the Pennsylvania Department of Environmental Protection (DEP), and 27 landowners collaborated with solar component suppliers to demonstrate the use of photovoltaic (PV) solar technology on livestock farms. Twenty-seven solar pump systems were installed on a variety of livestock operations. The primary objective was to advance the concept of intensive rotational grazing and reduce the need for mechanical harvesting and its inherent consumption of fossil fuels. Water is available on most Pennsylvania farms, but it is seldom located where it will support properly designed and managed grazing systems. Therefore, it must be moved via pipelines using either gravity or mechanical means. Water for use in most rotational grazing systems in Pennsylvania generally needs to be pumped. Since most under-utilized grazing lands are often very remote and at great distances from grid-power sources, alternative energy sources must be used to power the pumps. Solar arrays proved to be very durable and dependable for production of power to pump water despite Pennsylvania's intermittent overcast skies. It was found that solar power is a cost effective and a viable alternative to conventional power sources for water pumping in remote areas if it is properly designed, installed, and maintained.

NATURAL RESOURCES CONSERVATION SERVICE

Wetlands Reserve Program
(Appropriated Funds)

NOTE: The 1996 FAIR Act re-authorized the WRP under the Commodity Credit Corporation (CCC) beginning FY 1997. Current account balances will remain within the account until expended. Funds are no longer requested under the appropriated account.

Project Statement
(On basis of available funds)

Project	2001 Actual Amount	2001 Actual Staff Years	2002 estimated Amount	2002 estimated Staff Years	Increase or Decrease	2003 estimated Amount	2003 estimated Staff Years
Easements	$365,064	--	$ 362,702	--	-362,702	--	--
NRCS Technical Assistance	(931,071)	--	1,454,313	--	-$1,454,313	--	--
Total Direct Obligations	(-566,007)	--	$1,817,015	--	-1,817,015	--	--
Unobligated balance brought forward	(-574,940)	--	(-1,817,015)	--	(+1,817,015)	--	--
Unobligated balance carried forward	(+1,817,015)	--	--	--	--	--	--
Adjusted Appropriation	--	--	--	--	--	--	--
Reimbursable Oblig.	27,499	--	--	--	--	--	--
Obligational authority	($538,508)	2	$1,817,015	--	--	--	--

NOTE: Since 1997, a portion of the technical assistance activities for the WRP has been funded through the use of unobligated WRP appropriated funds. It is expected that unobligated balances will be fully utilized in FY 2002.

OUTLAYS

	2001 Actual	2002 Estimate	Increase or Decrease	2003 Estimate
Wetlands Reserve Program	$4,052,157	$2,515,820	-$981,170	$1,534,650

Natural Resources Conservation Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2001 and Estimated 2002 and 2003
WETLANDS RESERVE PROGRAM

	2001		2002		2003	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
ARKANSAS	202,742	--	--	--	--	--
FLORIDA	85,000	--	--	--	--	--
ILLINOIS	2,840	--	--	--	--	--
INDIANA	53,800	--	--	--	--	--
IOWA	2,024	--	--	--	--	--
KANSAS	3,512	--	--	--	--	--
MICHIGAN	848	--	--	--	--	--
MISSOURI	32	--	--	--	--	--
NORTH CAROLINA	27,490	--	--	--	--	--
OKLAHOMA	39,423	--	--	--	--	--
OREGON	10,000	--	--	--	--	--
TEXAS	307,931	2	--	--	--	--
VIRGINIA	3,800	--	--	--	--	--
WASHINGTON	5,486	--	--	--	--	--
NATIONAL CART & GEO CTR	1,561	--	--	--	--	--
NATIONAL HEADQUARTERS	-1,312,496	--	--	--	--	--
UNDISTRIBUTED	--	--	1,817,015	--	--	--
TOTAL AVAILABLE OR EST	-566,007	2	1,817,015	--	--	--

COMMODITY CREDIT CORPORATION (CCC)
NATURAL RESOURCES CONSERVATION SERVICE

WETLANDS RESERVE PROGRAM

Appropriations Act, 2002	--
Budget Estimate, 2003	--
Decrease in CCC Funding	--

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

Item of Change	2002 Estimated	Program Changes	2003 Estimated
Wetlands Reserve Program 1/	--	--	--
Technical Assistance	--	--	--
WRP Program Costs	--	--	--

1/ An estimated $20 million necessary to cover remaining expenses from prior year enrollment activities.

Project Statement
(On basis of appropriation)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
Wetlands Reserve Prog.	$160,021,922	--	--	--	--	--	--
Technical Assistance 1/	14,275,000	173	--	--	--	--	--
WRP Program Costs	$174,296,922	173	--	--	--	--	--

Project Statement
(On basis of available funds)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
Wetlands Reserve Prog.	$160,021,922	--	--	--	--	--	--
Technical Assistance	14,275,000	173	--	--	--	--	--
Total Available CCC	174,296,922	173	--	--	--	--	--
Unfunded Tech Assist.	--	--	--	--	--	--	--
CCC-WRP Program Costs	$174,296,922	173	--	--	--	--	--

OUTLAYS

	2001 Actual	2002 Estimate	Increase or Decrease	2003 Estimate
Wetlands Reserve Program	$144,749,840	$114,558,000	-$57,237,000	$57,321,000

The Wetlands Reserve Program (WRP) achieved the 1,075,000 acreage cap as set forth under Section 1237 of the Food Security Act, and amended by the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), and by Section 808 of the FY 2001 Appropriations Act (P.L. 106-387). The program's authority expires in FY 2002.

COMMODITY CREDIT CORPORATION (CCC)
NATURAL RESOURCES CONSERVATION SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2001 Actual and Estimated 2002and 2003
WETLANDS RESERVE PROGRAM

	2001		2002		2003	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
ALABAMA	$8,233,468	--	--	--	--	--
ARIZONA	10,000	--	--	--	--	--
ARKANSAS	900,000	11	--	--	--	--
CALIFORNIA	14,134,000	10	--	--	--	--
COLORADO	940,000	1	--	--	--	--
CONNECTICUT	1,500	--	--	--	--	--
DELAWARE	18,000	--	--	--	--	--
FLORIDA	9,838,400	6	--	--	--	--
GEORGIA	1,293,900	1	--	--	--	--
HAWAII	110,000	--	--	--	--	--
IDAHO	1,509,500	2	--	--	--	--
ILLINOIS	6,742,251	6	--	--	--	--
INDIANA	6,002,700	6	--	--	--	--
IOWA	11,249,904	12	--	--	--	--
KANSAS	1,464,920	1	--	--	--	--
KENTUCKY	1,529,500	1	--	--	--	--
LOUISIANA	11,715,900	11	--	--	--	--
MAINE	190,459	--	--	--	--	--
MARYLAND	40,000	--	--	--	--	--
MASSACHUSETTS	1,500	--	--	--	--	--
MICHIGAN	6,245,000	5	--	--	--	--
MINNESOTA	8,545,000	5	--	--	--	--
MISSISSIPPI	11,050,000	11	--	--	--	--
MISSOURI	9,830,875	10	--	--	--	--
MONTANA	277,705	2	--	--	--	--
NEBRASKA	7,193,259	4	--	--	--	--
NEVADA	--	--	--	--	--	--
NEW HAMPSHIRE	430,000	--	--	--	--	--
NEW JERSEY	185,263	--	--	--	--	--
NEW MEXICO	15,000	--	--	--	--	--
NEW YORK	6,305,605	11	--	--	--	--
NORTH CAROLINA	1,920,750	2	--	--	--	--
NORTH DAKOTA	2,632,400	2	--	--	--	--
OHIO	3,494,700	3	--	--	--	--
OKLAHOMA	3,427,152	4	--	--	--	--
OREGON	4,343,357	5	--	--	--	--
PENNSYLVANIA	157,225	--	--	--	--	--
PUERTO RICO	1,000	--	--	--	--	--
RHODE ISLAND	70,000	--	--	--	--	--
SOUTH CAROLINA	3,290,000	2	--	--	--	--
SOUTH DAKOTA	3,834,623	4	--	--	--	--
TENNESSEE	1,512,173	2	--	--	--	--
TEXAS	5,375,000	3	--	--	--	--

	2001		2002		2003	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
UTAH	290,000	1	--	--	--	--
VERMONT	24,120	--	--	--	--	--
VIRGINIA	174,100	--	--	--	--	--
WASHINGTON	6,546,850	10	--	--	--	--
WEST VIRGINIA	145,000	--	--	--	--	--
WISCONSIN	9,511,300	8	--	--	--	--
WYOMING	1,228,063	1	--	--	--	--
NATIONAL HEADQUARTERS	251,606	3	--	--	--	--
NRCS INSTITUTE	63,894	1	--	--	--	--
TOTAL AVAILABLE OR EST	$174,296,922	173	--	--	--	--

COMMODITY CREDIT CORPORATION (CCC)
WETLANDS RESERVE PROGRAM

STATUS OF PROGRAM

Current Activities: The Wetlands Reserve Program (WRP) was mandated 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) and the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127), to assist owners in restoring and protecting wetlands. WRP is a mandatory Commodity Credit Corporation (CCC) program implemented by Natural Resources Conservation Service (NRCS). Program payments and financial reporting are handled by the Farm Service Agency (FSA), the agency with CCC financial responsibility.

The WRP is a voluntary program that provides technical and financial assistance to eligible landowners to address wetland, wildlife habitat, soil, water, and related natural resource concerns on private lands in an environmentally beneficial and cost effective manner. WRP supports the NRCS Strategic Plan Goal 1which relates to reducing unintended adverse effects of natural resource development and use to ensure a high quality environment. The program achieves solutions to local community issues related to farms, ranches, rural lands and other areas by establishing easements and long term agreements on eligible lands. This unique program offers landowners an opportunity to establish, at minimal cost, long-term conservation and wildlife habitat enhancement practices and protection.

The goal of WRP is to achieve the greatest wetland functions and values, along with optimum wildlife habitat on every acre enrolled in the program. At least 70 percent of the wetland and upland areas will be restored to the original natural condition to the extent practicable. The remaining 30 percent of the project area may be restored to other than natural conditions. For example, rather than restore a bottomland hardwood site to all trees, a portion of the site could be restored to an emergent marsh condition if the landowner or the agency wanted to create habitat for certain wildlife species. This flexibility allows the agency to implement projects that meet landowner objectives and maximize wildlife benefits.

The WRP focuses on:

- Enrolling marginal lands that have a history of crop failures or low yields;
- Restoring and protecting wetland values on degraded wetlands;
- Maximizing wildlife benefits;
- Achieving cost effective restoration with a priority on benefits to migratory birds;
- Protecting and improving water quality; and,
- Reducing the impact of flood events.

The program is available in all 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Somoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territories of the Pacific Islands on all lands meeting any of the following eligibility criteria:

- Altered, cropped, and grazed wetlands along with upland buffer areas;
- Rangeland and wooded areas where hydrology is degraded but restorable;
- Eligible acres already enrolled in the Conservation Reserve Program;
- Riparian areas linking protected wetlands;
- Natural wetlands that contribute to the value of the easement restoration area; and,
- Wetlands restored under a Federal or State cost-share program that are not under easement.

Program Options: WRP provides landowners an opportunity to enroll acreage through permanent easements, 30-year easements and restoration cost-share agreements. Features of the various options are as follows:

- Permanent Easements: Easement duration is in perpetuity. CCC provides landowners an easement payment after the easement is filed that is generally based on the agriculture assessed value of the property and pays 100 percent of the eligible restoration costs.
- 30-year Easements: Easement duration is 30 years. CCC provides landowners an easement payment after the easement is filed that is the equivalent of 75 percent of the value for a permanent easement and 75 percent of the eligible restoration costs.
- Restoration cost-share agreements: Restoration cost-share agreements are made available to participating landowners as an alternative mechanism to restore wetlands, without requiring an applicant to sell an easement. Agreements are generally for a 10-year period, although longer agreement periods may be required for unique projects that are funded at a higher level.

For both permanent and 30-year easements, CCC pays for all the overhead costs associated with recording the easement in the local land records office including recording fees, charges for abstracts, surveys, appraisal fees, and title insurance associated with acquiring an easement. These costs are authorized for payment under Section 303 of the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970.

Other agencies and private organizations may provide additional assistance for easement payments and restoration costs as a way to leverage program funds and achieve greater program benefits.

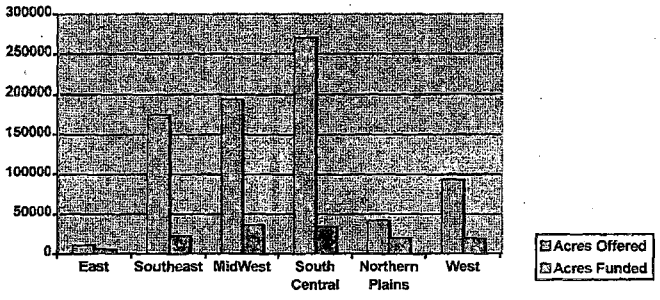
Technical Assistance: The NRCS field representative, with input from the State wildlife agency and the U.S. Fish and Wildlife Service (FWS), develops a preliminary site plan for offered acres initially determined eligible. The plan specifies the manner in which the wetlands and adjacent lands must be restored. Once an offer is accepted, NRCS assists in establishing required practices for the easement area.

NRCS continues to provide assistance to the landowner after the initial completion of restoration activities. The assistance may be in the form of review of restoration measures, clarification of technical and administrative aspects of easement and agreement management needs, and basic biological and engineering advice on how to achieve optimum results for wetland dependent wildlife.

Program Progress

Demand for the program continues to exceed the NRCS annual acreage allocation. As a result, many landowners have to wait several years before being accepted into the program. In 2001, the national ratio of eligible offered acres to enrolled acres was nearly 6:1. This ratio varies significantly on a regional level. The highest level of demand at nearly 8:1 is in the NRCS South Central region, which includes Louisiana, Arkansas, Oklahoma and Texas. The following table provides a comparison between the acres offered and those enrolled by NRCS region.

2001WRP REGIONAL ACRES OFFERED AND FUNDED



BREAKDOWN OF NRCS REGIONS

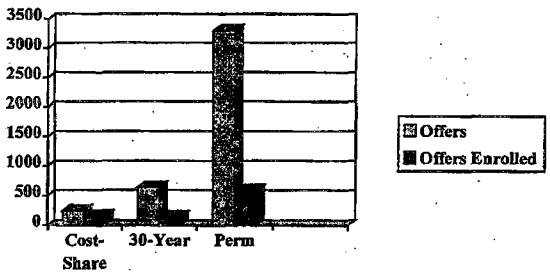
NRCS Region	States
East	CT, DE, ME, MD, MA, NH, NJ, NY, PA, RI, VT and WV
Midwest	IL, IN, IA, MI, MN, MO, OH, and WI
Northern Plains	CO, KS, MT, NE, ND, SD, and WY
West	AK, AZ, CA, HI, ID, NV, NM, OR, Pacific Basin, UT, and WA
South	AL, FL, GA, KY, MS, NC, PR, SC, TN, and VA
South Central	LA, AR, OK, and TX

With the WRP, acres are the specific controlling factor. In FY 2001, the acreage cap was set at 139,976. Funding needs are determined by projecting the number of acres by type of project (permanent easements versus 30-year easements versus cost-share agreements) and the geographic location where acres will likely be acquired. Costs vary widely across the nation. The average cost of a permanent easement in FY 2001 was approximately $1,200 per acre. The easement cost varied from a high of $2,100 per acre in Washington to a low of $550 per acre in Montana. The average cost of a 30-year duration easement is approximately $760 per acre and varies in cost similar to permanent easement cost. Restoration cost-share agreement projects average about $480 per acre.

During the early years of the program, most of the projects were acquired in areas having land costs at the lower end of the cost scale. As the program has increased in popularity coupled with the recognized need to enroll a variety of wetland types from all areas of the Nation addressing their wetland conservation needs, many of the projects are now being enrolled in areas where land costs are somewhat greater. For example, the importance of wetland restoration in California, Florida, and Iowa is widely recognized. These areas are receiving increased emphasis even though the land costs there are higher than in Arkansas, Louisiana, and Mississippi. Alternatively, popularity of the program in the Lower Mississippi River Valley areas of these three southern States continues to account for a large amount of the program allocation in FY 2001 and can be expected to do so in the future.

Landowner interest in the three types of WRP projects is not equal. In FY 2001, approximately 79 percent of the landowners interested in enrolling in WRP seek permanent easements; 15 percent seek 30-year easements; and approximately 6 percent seek restoration cost-share agreements.

WETLANDS RESERVE PROGRAM ACTIVITY BY ENROLLMENT OPTIONS



WRP projects vary considerably across the country. The average size of a project is approximately 177 acres. Offers vary from as small as two acres to several thousand acres.

The type of wetlands being restored varies from floodplain forest, to prairie potholes, to coastal marshes. Floodplain forest and associated sloughs and small emergent marsh wetlands account for approximately 65 percent of the program's restoration activity. A majority of the enrolled acres tend to occur in areas subject to frequent flooding. Many of the involved landowners talk about their difficulty in farming the offered acres and that the areas should probably never have been drained or cleared for agriculture.

Activity results during FY 2001 of the WRP enrolled acres are as follows:

Type of Project	Acres Offered by Landowners	Acres Funded
Restoration Cost-Share Agreements	11,287	8,659
30-Year Easements	107,326	22,273
Permanent Easements	659,206	108,374
Total	777,819	139,306

Total WRP enrollment data including FY 2001 and prior years is as follows:

Total acres enrolled	1,074,245
Total easement acres perfected	860,471
Total cost-share agreement acres contracted	70,009
Total projects	6,509
Total easement projects	5,216
Total cost-share agreement projects	828

The wildlife response on restored project areas has been extremely beneficial. The following information highlights this response.

A group of landowners in southeastern Oklahoma joined together with the NRCS and other conservation partners to restore nearly 7,500 acres of wetlands and other wildlife habitat in an area adjacent to the Red River known as Red Slough. This complex of formerly floodplain forest had been cleared for agricultural use during the 1960's. Poor crop productivity due to soil wetness, depressed commodity prices, and their interest in wildlife stewardship have contributed to the landowners' vision and initiative to restore the area to a more natural state. Through the use of existing and newly constructed dikes and water control

structures, over 4,000 acres of shallow water wetland habitat has been developed. More than a million tree seedlings have been planted on the remaining areas in an effort to re-establish the bottomland hardwood forest. The latest efforts have focused on restoring surface topography that was eliminated by land leveling and other farming practices.

Red Slough is now recognized within the state and region as a birdwatcher's paradise. In less than two years, 254 species of birds have already been recorded for the site. Birds only rarely seen in the state are becoming common during seasonal visits to Red Slough. Unusual or first time records of birds nesting in Oklahoma, such as wood storks, white ibis, willow flycatchers, roseate spoonbills, and black-necked stilts, have been well documented. The number of migratory and wintering waterfowl has been spectacular during late fall and early winter. Duck and goose numbers at Red Slough and other nearby wetlands have exceeded 100,000 birds. The recent completion of amphibian and reptile surveys and a comprehensive plant inventory dramatically indicates that Red Slough has quickly reverted back to one of the most diverse wetland ecosystems in the region.

In North Carolina, a coastal North Carolina farmer enrolled approximately 6,700 acres of land poorly suited for agricultural purposes. This project quickly provided habitat for an abundance of native wildlife. Landowners in this area have described the wildlife response as remarkable. On a continuing basis, one of the landowners proudly reports the seasonal wildlife observations to NRCS. During the summer months, many species of songbirds, marsh birds, and river otters are sighted near open waters. Black bear, bobwhite quail, rabbits, wild turkey, and bobcat are year-round residents on the project area. Biologists use the project to monitor the breeding success and health of a re-introduced red wolf population. Winter sightings include tundra swans, ducks of many species, and raptors including the bald eagle. The success of this one project has caught the attention of the farm's neighbors who hope to emulate the wildlife success on their adjacent land using WRP.

COMMODITY CREDIT CORPORATION (CCC)
NATURAL RESOURCES CONSERVATION SERVICE

Environmental Quality Incentives Program

Appropriations Act, 2002	$200,000,000
Budget Estimate, 2003	200,000,000
Increase in Estimate	--

SUMMARY OF INCREASES AND DECREASES

Item of Change	2002 Estimated	Pay Costs	Program Changes	2003 Estimated
Environmental Quality Incentives Program:				
Financial Assistance	$158,000,000	--	--	$158,000,000
Technical Assistance	38,000,000	--	--	38,000,000
Educational Assistance	4,000,000	--	--	4,000,000
Total, EQIP	$200,000,000	--	--	$200,000,000

NOTE: This assumes continuation in the Farm Bill for EQIP at $200 million, which is the baseline.

Project Statement
(On basis of available funds)

Program	2001 Actual Amount	2001 Actual Staff Years	2002 Estimated Amount	2002 Estimated Staff Years	Increase or Decrease	2003 Estimated Amount	2003 Estimated Staff Years
Environmental Quality Incentives Program:							
Financial Asst.	$160,122,232	--	$158,000,000	--	--	$158,000,000	--
Technical Asst.	37,989,132	--	38,000,000	--	--	38,000,000	--
Educational Asst.	1,831,436	--	4,000,000	--	--	4,000,000	--
Total, EQIP	$199,942,800	--	$200,000,000	--	--	$200,000,000	--

NOTE: Staff years for EQIP are reflected under reimbursable staff years in the Conservation Operations account. However, they are 514 for FY 2001, 492 for FY 2002, and 476 for FY 2003.

COMMODITY CREDIT CORPORATION (CCC)
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Environmental Quality Incentives Program
2001 Actual and Estimated 2002 and 2003

	2001	2002	2003
	AMOUNT	AMOUNT	AMOUNT
ALABAMA	$3,682,300	$3,575,100	--
ALASKA	462,475	514,000	--
ARIZONA	7,107,300	7,559,100	--
ARKANSAS	4,557,127	4,084,700	--
CALIFORNIA	9,184,200	9,047,100	--
COLORADO	7,101,363	6,949,400	--
CONNECTICUT	790,300	773,300	--
DELAWARE	964,500	964,300	--
FLORIDA	5,426,698	5,090,100	--
GEORGIA	4,107,200	4,007,500	--
HAWAII	646,175	718,300	--
IDAHO	4,156,300	3,219,300	--
ILLINOIS	2,757,600	3,901,300	--
INDIANA	7,036,400	2,391,300	--
IOWA	3,356,524	4,153,200	--
KANSAS	5,014,700	4,737,700	--
KENTUCKY	3,111,400	2,831,900	--
LOUISIANA	3,947,462	3,517,000	--
MAINE	933,600	1,658,800	--
MARYLAND	2,067,632	1,728,400	--
MASSACHUSETTS	1,982,000	862,300	--
MICHIGAN	4,334,400	4,052,300	--
MINNESOTA	5,788,200	5,522,700	--
MISSISSIPPI	5,042,500	4,889,500	--
MISSOURI	5,218,978	4,725,600	--
MONTANA	6,463,100	6,368,100	--
NEBRASKA	614,902	4,670,300	--
NEVADA	4,572,300	1,548,300	--
NEW HAMPSHIRE	965,100	690,600	--
NEW JERSEY	5,787,317	939,400	--
NEW MEXICO	3,843,137	6,563,900	--
NEW YORK	4,263,300	3,373,800	--
NORTH CAROLINA	4,805,295	4,253,700	--
NORTH DAKOTA	1,430,200	3,782,200	--
OHIO	3,250,900	3,084,600	--
OKLAHOMA	5,018,900	4,437,600	--
OREGON	4,386,325	3,885,100	--
PACIFIC BASIN	346,300	306,500	--
PENNSYLVANIA	3,364,400	2,943,900	--
PUERTO RICO	903,700	936,300	--
RHODE ISLAND	418,500	421,600	--
SOUTH CAROLINA	2,281,700	2,225,300	--
SOUTH DAKOTA	4,695,000	5,189,900	--
TENNESSEE	3,114,500	2,851,700	--
TEXAS	15,187,200	14,233,700	--

	2001	2002	2003
	AMOUNT	AMOUNT	AMOUNT
UTAH	4,660,545	5,055,900	--
VERMONT	3,172,500	1,035,200	--
VIRGINIA	1,281,800	3,067,400	--
WASHINGTON	4,194,000	3,900,000	--
WEST VIRGINIA	4,561,200	1,759,300	--
WISCONSIN	1,807,400	4,256,000	--
WYOMING	3,648,892	3,542,300	--
NATIONAL HDQTR	121,800	203,200	--
UNDISTRIBUTED	--	13,000,000	$200,000,000
CONTRACT MOD. RESERVE	2,005,253	--	--
Total Obligations/Estimate	$199,942,800	$200,000,000	$200,000,000

COMMODITY CREDIT CORPORATION (CCC)
ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

STATUS OF PROGRAM

Current Activities: The Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), amended Subtitle D of Title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.), by adding Chapter 4, the Environmental Quality Incentives Program (EQIP). The 1996 Act combined into a single program the functions of: the Agricultural Conservation Program (ACP); the Great Plains Conservation Program (GPCP); the Water Quality Incentives Program (WQIP); and the Colorado River Basin Salinity Control Program (CRSC). Policy implementations of EQIP is provided under the Natural Resources Conservation Service (NRCS), while financial reporting and program payments are handled by the Farm Service Agency (FSA). EQIP program funding resources are made available through CCC, as enacted under the 1996 Act.

EQIP provides technical, educational, and financial assistance to eligible farmers and ranchers to address soil, water, and related natural resource concerns on their lands, in an environmentally beneficial and cost-effective manner. Overall, the program attempts to achieve solutions to local community issues related to farms, ranches, and rural lands by implementation of EQIP structural, vegetative, and land management practices on eligible lands on a voluntary basis.

The purpose of EQIP is to carry out the single program in a manner that maximizes environmental benefits per dollar expended and that provides:

- Flexible technical and financial assistance to farmers and ranchers that face the most serious threats to soil, water, and related natural resources, including grazing lands, wetlands, and wildlife habitat;
- Assistance to farmers and ranchers in complying with Federal and State environmental laws, and encourages environmental enhancement;
- Assistance to farmers and ranchers in making beneficial, cost-effective changes to cropping systems, grazing management, manure, nutrient, pest, or irrigation management, land uses, or other measures needed to conserve and improve soil, water, and related natural resources; and
- For the consolidation and simplification of the conservation planning process to reduce administration burdens on producers.

Eligible lands under the program may include agricultural land (including cropland, rangeland, pasture, and other land on which crops or livestock are produced), including agricultural land that poses a serious threat to soil, water, or related resources by reason of the soil types, terrain, climatic, soil, topographic, flood, or saline characteristics, or other factors or natural hazards.

The final rule provides for three types of conservation practices -- structural practices, vegetative practices, and land management practices. EQIP provides for a wide range of conservation practices developed from these categories to assist eligible landowners in the protection of soil erosion, water quality, land and water management, and other environmental benefits realized for the landowner, and also, the local community. The conservation practice categories are as follows:

- Land management practices are conservation practices that primarily require site-specific management techniques and methods to conserve, protect from degradation, or improve soil, water, or related natural resources in the most cost-effective manner. Examples of land management practices include, but are not limited to, nutrient management, manure management, integrated pest management, integrated crop management, irrigation water management, tillage or residue management, stripcropping, contour farming, grazing management, and wildlife habitat.

- Structural practices are conservation practices that primarily involve the establishment, construction, or installation of a site-specific measure to conserve, protect from degradation, or improve soil, water, or related natural resources in the most cost-effective manner. Examples of structural practices include, but are not limited to, animal waste management facilities, terraces, grassed waterways, tailwater pits, livestock water developments, and capping of abandoned wells.

- Vegetative practices are conservation practices which primarily involve the establishment or planting of a site-specific vegetative measure to conserve, protect from degradation, or improve soil, water, or related natural resources in the most cost-effective manner. Examples of vegetative practices include, but are not limited to, contour grass strips, filterstrips, critical area plantings, tree planting, and permanent wildlife habitat.

Cost-share payments: Under this provision, the Secretary shall pay an eligible program participant an amount not more than 75 percent of the cost to implement one or more structural or vegetative practices.

Incentive payments: The Secretary shall make incentive payments in an amount and rate determined by the Secretary to implement one or more land management practices.

Limitations on payments: The total amount of cost-share and incentive payments paid to a person may not exceed $10,000 for any fiscal year, and $50,000 for any multi-year contract. Payments for expenditures incurred under EQIP during the first year of a contract cannot be made until the subsequent fiscal year.

Technical assistance: NRCS will work with program participants in developing a conservation plan for offered acres initially determined eligible. The plan specifies the manner in which the planned conservation systems on the enrolled acres will be implemented, operated, and maintained. NRCS will assist landowners in developing the conservation plan and in establishing required practices for lands accepted into the program. Qualified personnel not affiliated with NRCS may provide technical and other assistance.

Targeting: The 1996 Act requires that 50 percent of available EQIP funding for technical assistance, cost-share payments, incentive payments, and education be targeted at practices relating to livestock production.

Partnerships: NRCS, in cooperation with Federal, State, and local partners, functions as a diverse, dynamic, united coalition to address local and national conservation issues effecting our Nation. Through interactive communication between the local community, local interest groups, and local and Federal agencies, the coalition provides the local people with information and resources needed to address local priorities and implement State and national programs, such as EQIP. Many State and local governments provide cost-share programs, such as the Idaho Agricultural Water Quality Program, the Maryland State Cost-Share Program, the Delaware Water Pollution Fund, or local programs administered through conservation districts, such as the: Clean Water Grants in Massachusetts, and Zeroscape Planning in Colorado, to name a few. EQIP complements many of these State and local programs in efforts to address specific local conservation and natural resource issues. Partnership efforts have been forged with Federal, State, and local entities, including the National Association of Conservation Districts, State associations of conservation districts, and local conservation districts in efforts to deliver a program beneficial to program participants and the environment.

Program requirements: Participation is on a voluntary basis. In cooperation with the local conservation districts, a participant develops a conservation plan for the farm or ranching unit. The participant's conservation plan serves as the basis for the contract. CCC provides funding for cost-share and/or incentive payments to apply needed conservation practices and land use adjustments within a time schedule specified by the conservation plan. In order to participate both the land and the person(s) must be eligible.

To be eligible for EQIP, applicants must:

- Be in compliance with the highly erodible land and wetland provisions of the Food Security Act of 1985;
- Have control of the land for the life of the proposed contract period; and
- Submit a conservation plan that is acceptable to NRCS, is approved by the conservation district, and is in compliance with the terms and conditions of the program.

Lands enrolled in EQIP must be privately owned or on publicly owned land where the land is under private control for the contract period and is included in the participant's operating unit. Installation of conservation practices must contribute to an improvement in the identified natural resource concern, and the participant must have written authorization from the government landowner to apply conservation practices.

Priority areas and significant Statewide natural resource concerns: NRCS may designate a watershed, an area, or region of special environmental sensitivity or having significant soil, water, or related natural resource concern as a conservation priority area. NRCS shall give special consideration to applicants in priority areas that have conservation plans that address natural resource concerns for which the priority area was designated.

For consideration for participation in a designated priority area, a Federal, State, or local government agency, working cooperatively with a respective local work group and State technical committee, will make a proposal to CCC in the form of a priority area proposal. The priority area proposal will include data for the NRCS State conservationist and State technical committee to make informed judgments on the quality of the proposal submitted.

The NRCS State Conservationist, in consultation with the State Technical Committee, and based on recommendations of a local work group, may approve an area as a priority area, and may approve program assistance to participants with significant Statewide natural resource concerns outside a funded priority area.

Contract Modifications: EQIP provides the opportunity for the contract to be modified with a increase in funds provided the increased cost is the result of an error or omission by an agent of the CCC. One example would be the adoption of a State law requiring a liner in a waste storage facility after the EQIP contract and cost estimate was prepared.

EQIP funds are available only during the fiscal year allocated and EQIP funds that are "de-obligated" cannot be reused in an existing or new contract. NRCS, therefore, established a $2 million contract modification reserve from the present year allocation to use for modifications of this year's contracts in future years.

The contract modification reserve established for FY 1997 EQIP contracts has been depleted and the FY 1998 reserve is less than $35,000. During FY 2001, OGC advised that it is permissible to use current (FY 2001) year funds to increase obligations of previous year (FY 1997) contracts. As a result, $602,616 of FY 2001 funds were used to modify FY 1997 contracts even though 3,500 FY 1997 contracts, with over $20 million in financial assistance (FA) obligations, have been canceled. Similarly, states will need to use FY 2002 funds to increase obligations to FY 1998 contracts even though over 2,100 FY 1998 contracts with $11 million in FA obligations have been cancelled.

FY 2001 Funding, Demand and Obligations: Total EQIP funding in FY 2001 was $199,942,800; $174 million of annual CCC EQIP funding and a "use until expended" $25,942,800 appropriation included in the FY 2001 Labor, Health and Human Services, and Education Appropriations Bill.

During FY 2001, local work groups recommended nearly 1,500 priority areas to State Conservationists for EQIP funding and 900 priority areas were provided funding. Since the inception of EQIP in FY 1997, over 2,500 conservation priority areas have been identified and 1,621 priority areas have received funding in at least one of the last four years. A synopsis of FY 2001 fund allocations is as follows:

STATE	FINANCIAL ASSISTANCE	EDUCATION ASSISTANCE	TECHNICAL ASSISTANCE	TOTAL ALLOCATION	PRIOR YEAR* CONTRACT MODIFICATION
AL	$2,979,300	$0	$703,000	$3,682,300	$3,899
AK	$324,275	$42,900	$95,300	$462,475	$22,676
AZ	$5,749,900	$0	$1,357,400	$7,107,300	$12,446
AR	$3,645,527	$41,500	$870,100	$4,557,127	$12,240
CA	$7,092,500	$338,100	$1,753,600	$9,184,200	$30,127
CO	$5,683,363	$67,100	$1,350,900	$7,101,363	$74,696
CT	$629,400	$10,000	$150,900	$790,300	$0
DE	$774,700	$4,900	$184,900	$964,500	$0
FL	$4,392,298	$0	$1,034,400	$5,426,698	$35,082
GA	$3,256,000	$67,100	$784,100	$4,107,200	$23,592
HI	$506,975	$15,300	$123,900	$646,175	$0
IA	$2,696,624	$24,400	$635,500	$3,356,524	$62,284
ID	$3,335,400	$27,300	$793,600	$4,156,300	$66,994
IL	$2,231,000	$0	$526,600	$2,757,600	$16,511
IN	$5,606,600	$88,600	$1,341,200	$7,036,400	$40,664
KS	$3,953,500	$103,800	$957,400	$5,014,700	$32,934
KY	$2,497,700	$19,700	$594,000	$3,111,400	$23,831
LA	$3,193,662	$0	$753,800	$3,947,462	$4,710
MA	$1,564,300	$39,300	$378,400	$1,982,000	$35,562
MD	$1,672,800	$0	$394,832	$2,067,632	$53,912
ME	$699,006	$11,794	$222,800	$933,600	$65,332
MI	$3,497,327	$9,473	$827,600	$4,334,400	$13,475
MN	$4,591,600	$91,500	$1,105,100	$5,788,200	$18,005
MO	$4,222,678	$0	$996,300	$5,218,978	$1,187
MS	$3,993,400	$86,400	$962,700	$5,042,500	$43,114
MT	$5,184,500	$44,600	$1,234,000	$6,463,100	$36,480
NC	$3,881,695	$6,100	$917,500	$4,805,295	$29,872
ND	$1,156,700	$0	$273,500	$1,430,200	$9,571
NE	$494,302	$3,200	$117,400	$614,902	$62,246
NH	$768,600	$12,200	$184,300	$965,100	$7,242
NJ	$4,651,517	$29,000	$1,106,800	$5,787,317	$11,307
NM	$3,091,937	$21,400	$729,800	$3,843,137	$29,365
NV	$3,679,500	$19,700	$873,100	$4,572,300	$0
NY	$3,443,900	$5,400	$814,000	$4,263,300	$45,217
OH	$2,599,800	$30,500	$620,600	$3,250,900	$84,203
OK	$3,991,600	$69,000	$958,300	$5,018,900	$75,744
OR	$3,501,025	$48,300	$837,000	$4,386,325	$65,496
PB	$219,100	$61,000	$66,200	$346,300	$2,215
PA	$2,715,069	$7,031	$642,300	$3,364,400	$108,629

STATE	FINANCIAL ASSISTANCE	EDUCATION ASSISTANCE	TECHNICAL ASSISTANCE	TOTAL ALLOCATION	PRIOR YEAR* CONTRACT MODIFICATION
PR&VI	$714,700	$14,800	$174,200	$903,700	$0
RI	$303,500	$34,200	$80,800	$418,500	$3,453
SC	$1,846,100	$0	$435,600	$2,281,700	$30,444
SD	$3,778,782	$19,818	$896,400	$4,695,000	$32,420
TN	$2,515,476	$4,424	$594,600	$3,114,500	$43,206
TX	$12,215,237	$72,163	$2,899,800	$15,187,200	$162,776
UT	$3,696,845	$20,400	$943,300	$4,660,545	$41,697
VA	$1,030,700	$6,400	$244,700	$1,281,800	$37,245
VT	$2,554,780	$12,020	$605,700	$3,172,500	$129,484
WA	$3,364,687	$28,413	$800,900	$4,194,000	$19,474
WI	$1,462,300	$0	$345,100	$1,807,400	$17,409
WV	$3,522,400	$169,200	$869,600	$4,561,200	$7,753
WY	$2,942,392	$3,000	$703,500	$3,648,892	$50,103
Sub-total**	$158,116,979	$1,831,436	$37,867,332	$197,815,747	$1,836,324
NHQ TA	$0	$0	$121,800	$121,800	$0
EQIP Reserve	$2,005,253	$0	$0	$2,005,253	$0
Total**	$160,122,232	$1,831,436	$37,989,132	$199,942,800	$1,836,324

* Prior year contract modifications are paid from a reserve established from previous years' funding and is not a part of the FY 2001 allocation. A $2,005,253 contract modification reserve was established from the FY 2001 allocation for contract modifications to FY 2001 EQIP contracts in future years. The total for this column is the amount of funds obligated to FY 1998, FY 1999 and FY 2000 EQIP contracts from the FY 1998, FY 1999 and FY 2000 National contract modification reserves.

** $602,616 of FY 2001 EQIP funding was used to increase obligations to FY 1997 contracts.

STATE	TOTAL		FY2001 APPLICATIONS/ CONTRACTS FUNDED	PERCENT APPLICATIONS/ CONTRACTS FUNDED
	APPLICATIONS RECEIVED*	ESTIMATE OF FUNDS REQUESTED		
AL	1,588	$6,438,944	646	40.68%
AK	20	$689,623	8	40.00%
AR	3,324	$9,634,449	1,112	33.45%
AZ	380	$9,519,030	200	52.63%
CA	1,414	$14,308,946	595	42.08%
CO	1,242	$12,537,038	509	40.98%
CT	38	$794,619	26	68.42%
DE	401	$2,063,888	130	32.42%
FL	1,465	$12,678,697	442	30.17%
GA	1,451	$9,781,523	485	33.43%
HI	77	$969,500	33	42.86%
IA	1,115	$5,961,241	568	50.94%
ID	368	$6,101,908	136	36.96%
IL	1,071	$7,153,076	442	41.27%
IN	744	$3,115,957	473	63.58%

STATE	TOTAL		FY2001 APPLICATIONS/ CONTRACTS FUNDED	PERCENT APPLICATIONS/ CONTRACTS FUNDED
	APPLICATIONS RECEIVED*	ESTIMATE OF FUNDS REQUESTED		
KS	1,075	$6,220,294	578	53.77%
KY	998	$7,788,592	284	28.46%
LA	1,843	$7,584,015	685	37.17%
MA	117	$1,505,931	48	41.03%
MD	595	$1,816,725	499	83.87%
ME	284	$2,970,319	139	48.94%
MI	248	$4,769,453	161	64.92%
MN	584	$7,355,429	323	55.31%
MO	978	$6,950,628	493	50.41%
MS	1,672	$8,894,755	681	40.73%
MT	355	$6,787,175	168	47.32%
NC	1,009	$3,712,247	573	56.79%
ND	779	$5,093,863	423	54.30%
NE	1,684	$13,377,977	432	25.65%
NH	84	$698,372	47	55.95%
NJ	587	$4,379,540	88	14.99%
NM	580	$7,065,051	360	62.07%
NV	112	$1,612,014	67	59.82%
NY	787	$9,355,507	232	29.48%
OH	694	$4,219,108	369	53.17%
OK	2,404	$14,643,822	577	24.00%
OR	522	$8,591,625	193	36.97%
PB	22	$1,001,827	12	54.55%
PA	288	$4,556,179	150	52.08%
PR	311	$1,973,897	160	51.45%
RI	18	$499,156	9	50.00%
SC	1,147	$6,742,307	286	24.93%
SD	616	$8,329,940	259	42.05%
TN	1,759	$10,809,000	352	20.01%
TX	6,342	$46,430,804	1,428	22.52%
UT	426	$6,517,995	225	52.82%
VA	579	$6,885,086	179	30.92%
VT	366	$2,629,984	131	35.79%
WA	423	$6,852,446	187	44.21%
WI	1,414	$5,600,328	763	53.96%
WV	584	$4,031,144	185	31.68%
WY	477	$9,375,657	133	27.88%
Totals	47,461	$359,376,631	17,684	37.26%

* The total number of EQIP applications include both applications actually received during FY 2001 and those unfunded FY 2000 applications that were deferred to FY 2001 for automatic reapplication.

A majority of the $158,116,979 of financial assistance obligated though EQIP in FY 2001 was utilized to fund 11,289 contracts in 900 Conservation Priority Areas (CPA) throughout the country which are

identified by local working groups. The balance funded 6,395 contracts addressing statewide resource concerns outside of the identified conservation priority areas. The following is a sample of how EQIP has provided a direct benefit to producers as well as protecting and enhancing the environment.

Selected Examples of Recent Progress

New York - Stanton Farms
Mark Stanton, from Stanton Farms is very pleased with the results he is experiencing through the use of nutrient management. Mark said, "the practice has helped us to learn how to use manure." Mark went on to say that he has seen a measurable difference in the amount of fertilizer purchased, and that this year, all things being considered that it is a wet year, his operation has not utilized all the dollars that were allocated for fertilizer.

Pest management is another practice that the Stanton Farms rely on. The incentive dollars provided by the Environmental Quality Incentives Program helps pay for the scouting services provided by Albany County Cooperative Extension. Mark said, "this program makes it possible to watch different crop varieties." Varieties that really work for them, that yield well and provide resistance to disease or pests can be identified and used in future cropping plans.

As a result of the EQIP program, Mark said, "overall our rotations are shorter, that works for us, we are getting better yields, lower input costs in growing a crop, and less weed pressure."

South Carolina - Hog Heaven in Dillon County
Dillon County Farmer Kenneth Long has lots of hogs. With the forthcoming addition of two more hog houses, Long will have a grand total of 12,000 hogs. The Long farming operation also includes over 4,500 acres of crops including cotton, soybeans, wheat, and tobacco. He worked closely with the NRCS District Conservationist (DC) Jimmy Harris to develop a waste management plan for his swine facility. The waste management plan, submitted to the South Carolina Department of Health and Environmental Control (DHEC), included a total of over 900 acres of the row crop land.

Long grew up on the farm that he now manages with his three sons. As the NRCS DC flips through the Long Farms file, he discovers a conservation plan developed here in 1958. "It's apparent that the Long family has a strong tradition of carrying out their conservation ethic," he remarks as he studies the early plan. The unique thing about Long's recently developed management plan is the use of a waste storage tank as opposed to the more traditional lagoon or waste storage pond. NRCS Environmental Engineer Stephen Henry reviewed the plan and consulted with Harris regarding the tank. "The high water table of the soils at this location made a lagoon impractical," explained Henry. DHEC regulations require the bottom of a lagoon or storage pond to be 2 feet above the groundwater. To use this site, everything would have to be built above the existing ground level. Henry said you normally use the soil you dig out of the lagoon to build the lagoon dike and house pads. The houses are built high enough for the manure and water to gravity flow into the lagoon. To build a lagoon on this site, you would have to have a borrow area to get the soil from and then pump the manure and water over the dike into the lagoon. Harris says that he discovered the problem after digging several feet into the soil and finding water bearing sand. "It surprised me to see the sand and the water rose to within about 2 feet of the surface. I knew then a lagoon or storage pond was not a good option for the site," he commented. The installation of a 1.2 million-gallon waste storage tank was the solution. A good alternative to in-ground storage facilities, the tank has many benefits including reduction of odor by the "chimney effect," (the tank stands nearly 20 feet tall), protection of ground water, and production of highly concentrated fertilizer. Harris says, "The tank is the best alternative to protect ground water since all the waste is above ground. The tank is the first in South Carolina used with a hog facility under an NRCS waste management plan, but there are other farms considering the idea now".

Long utilized the Environmental Quality Incentives Program (EQIP) to garner funds and technical assistance to install an underground irrigation system to apply the waste from the tank as fertilizer. "Using the manure from the hogs as fertilizer has saved us money and done wonders on our crops," remarked Long. The high nutrient content of the manure is very beneficial for Long's numerous crops. "Kenneth looks at the manure as something that is beneficial as opposed to something many farmers just want to get rid of," said Harris. This has helped Long to improve the health and productivity of his crops as well as protecting the ground water around his operation. "In everything I do on the farm I try and keep the health of the land in the front of mind," said Long. "I have to take care of my land because it feeds me," he emphasized.

Alabama - NRCS Assists Outstanding Conservation Farmer
A combination of NRCS assistance and the dedicated work of a father and son resulted in that father and son being awarded as outstanding conservation farmers. Charles Lott and his son Carl of Coffee County, Alabama, were named as the winner of the Outstanding Farmer of the Year Award by the Southeast Alabama Association of Conservation District Supervisors on August 9, 2001. The award was presented at the annual meeting of the association in Enterprise, Alabama.

NRCS employees Mike Harris and Travis Carnley worked with the Lotts during the last two years to install terraces, underground outlets, a poultry drystack facility, and a freezer for the temporary disposal of dead poultry. These practices were cost-shared under the Environmental Quality Incentive Program. The Lotts employ a number of practices to prevent soil erosion on cropland--terraces with proper outlets, contour farming, crop residue management, and crop rotation. Their poultry operation consists of 10 broiler houses with approximately 88,000 broilers and 750 tons of litter being produced each year. A nutrient management plan outlines how much litter is applied to cropland and pasture so that any risk from nutrient pollution of groundwater or surface water is eliminated. The poultry drystack barn is used to temporarily store litter during the time when it cannot be spread on the land as fertilizer. The freezer is used to temporarily dispose of dead birds until they are picked up from the farm by a recycling company.

In all facets of their combined operations--row crops, poultry and cattle--Charles and Carl are true conservation farmers, operating their farm in an environmentally friendly manner.

North Carolina - Animal Waste Management for Limited Resource Farmer
In August of 1997, Mr. Hilton Monroe made an application through the EQIP program for assistance with animal waste management on his 1,760 head of swine finishing farm. Even though he had met state minimum standards required for "0200" rules, he was not satisfied with the level of protection his farm posed for the environment. Mr. Monroe did not have complaining neighbors, or even complaints from regulatory inspectors. He just wanted to make a minimally acceptable system better. His EQIP application, once approved for funding, gave him the opportunity to install needed measures including: Pasture fencing (1,100 ft.), watering troughs (2), and re-vegetation (7ac.). He also was now able to expand his make-shift waste irrigation system (1,200 ft. underground PVC pipe and new hydrants and sprinklers) and surface water drainage improvements.

In total, Mr. Monroe was allocated $6,094 of EQIP funds. Mr. Monroe is nearing completion of installing his improvements. He will tell anyone in short order that the EQIP funding made it possible. Without it, his farm would be "at risk" with the environmental regulators, marginal at best.

Nevada - Pyramid Lake Indian Reservation
Fred John signed up for NRCS' EQIP program in January 1998 and had requested assistance with irrigation structures, land smoothing, range planting, pest management, and streambank stabilization. Mr. John's 165 acres is located on the Pyramid Lake Indian Reservation along the east bank of the Truckee River. Just 2 1/2 years later, Mr. John has successfully implemented all of his cost-share practices with the exception of yearly pest management and maintenance practices remaining. However, his most notable achievement

has been the completion of his streambank restoration. His request for streambank stabilization was the result of the flood of January 1997 which destroyed 2,600 feet of riverbank. His EQIP contract called for 3,300 feet of clearing and snagging (from debris left in the river by the flood), 2,600 feet of streambank and shoreline protection, and tree/shrub establishment.

Fred began with removal of 3,300 feet of debris from the river; next he restored 2,600 feet of riverbank, in which he re-shaped the banks to a 4:1 slope and established vegetation to stabilize the soil and protect the streambank from further erosion. Fred revegetated approximately three acres of riverbank along the 2,600-foot reach with sodar streambank wheatgrass, Galatin barley, willow wattles, and cottonwood pole plantings. The grasses were drilled and broadcast while the pole plantings were placed in augured holes approximately three feet deep at the water table, and the willow wattles were laid in shallow trenches at the water table, approximately 1-1/2 feet down. He was required to plant 260 individual woody plants (one every 10 feet) but has planted far more than that number. The revegetation has been very successful.

Fred's endeavor has been so successful that other tribal members are now asking for his assistance with their own 'streambank stabilization' projects.

Washington -Water Quality Improved on the VeenHuizen Farm
VeenHuizen Farm consists of a two-family dairy partnership in Whatcom County, Washington. The Jason and Debbie VanderVeen and the David and Becky Van WeerdHuizen families operate a 600-cow dairy on 450 acres used for grass and corn silage production and as pasture for replacement stock. Soils on the farm vary from well-drained sandy loam to artificially drained peat and muck. More than 7 million gallons of manure and wastewater is collected, stored, and annually applied to all crop fields. The nutrients in the manure provide virtually all of the nitrogen required to produce the crops.

In the past, the VeenHuizens participated in the Tenmile Creek land treatment PL-566 watershed project. PL-566 projects address flood prevention, watershed health, water quality and water quantity issues through the implementation of structural and land treatment issues. The Natural Resource Conservation Service (NRCS) funding and technical assistance for their waste management system's structural components, involving the collection, storage and field application of manure, and wash water was provided through PL-566 funds.

The Environmental Quality Incentive Program (EQIP) provided an opportunity for the VeenHuizens to further improve their dairy operation and to demonstrate their commitment to improving water quality. Grass filter strips were planted on six acres of crop fields adjacent to field ditches. EQIP funds were available as an incentive payment for nutrient management. The VeenHuizens used these funds, supplemented with state funds, to purchase a manure injector. The injector allowed manure to be inserted into the ground, for the precise application of manure nutrients while reducing the potential for runoff, odors, and atmospheric loss. Manure injection is the preferred application method and it has been widely adopted by many producers. The VeenHuizens were the first in the county to implement this application method.

This manure injector owned by the VeenHuizens allows for the precise application of liquid manure without the odor common with other application methods. Application with an injector also increases plant available nutrients and reduces the potential for field runoff. Manure is injected to a depth of about 2 inches. Application rates of 500-600 gallons are possible, making an injector a more efficient means of field application.

Jordan VanderVeen, son of Jason and Debbie, actually assisted the District Conservationist with developing a computerized record keeping system used to keep track of things such as soil tests and irrigation water applications. At present, the VeenHuizens are working with the Nooksack Salmon

Enhancement Association (NSEA) to establish woody shrubs along the headwaters of Fourmile Creek where it runs through their farm.

As cooperators, the VeenHuizens have always invited others to their farm to learn first hand about the multitude of environmental and regulatory issues they deal with and to see what is being accomplished. In recent years state and county legislators, students, agency representatives as well as other dairy producers have all learned by example from the VeenHuizen Farm.

Kansas - Livestock Waste Seminar

In 1998, an EQIP priority area was funded to address Water Quality and Water Quantity concerns in the Prairie Dog Creek Drainage Area in Norton, Phillips, and Decatur Counties in Kansas. Funding was received to address the resource concerns and to provide informational and educational products to producers in the Priority Area. The local work group determined a need to produce an informative video featuring local producers who had already installed livestock waste systems. This would allow producers to "visit" several different working systems without a lot of travel. Production on the video began in May of this year. Six producers from Norton and Phillips counties agreed to be featured in the video. Video footage was taken with the assistance of Kansas State University at each site along with an interview that was conducted by NRCS personnel. The interview took the viewer back through the whole process. Where did they go for assistance? How long did the process take? Was there cost-share involved? What would they do differently? After filming was complete, the tape was edited, adding aerial drawings of the livestock waste systems, county map locations, and music. On August 9, the EQIP Priority Area work group held a livestock waste seminar at the Norton American Legion where the video was showcased. The featured producers were present for a panel discussion, Kansas Department of Health and Environment representatives presented permitting regulations, Phil Barnes of Kansas State University spoke on nutrient management and total maximum daily loads, and Brian Lang, NRCS Area Engineer spoke on livestock waste system design requirements. The seminar was a great success attracting over 65 local producers. The video was distributed to the area and state office and is available at the Norton NRCS office to be checked out by producers who are thinking about installing a livestock waste system. The video is an excellent tool to use in evaluating effective alternatives in dealing with livestock waste.

NATURAL RESOURCES CONSERVATION SERVICE

Agricultural Risk Protection Act of 2000 (ARPA)
Budget Authority
(Dollars in Thousands)

Program:	FY 2001 Actual	FY 2002 Estimated
Agricultural Management Assistance (AMA)	$8,300	a/
Wildlife Habitat Incentives Program (WHIP)	12,500	--
Farmland Protection Program (FPP) b/	17,500	$720
Soil and Water Conservation Assistance (SWCA)	20,000	--
Total, ARPA funding	$58,300	$720

a/ For each subsequent year $10 million is provided and will be allocated as determined by the Secretary.
b/ For FY 2002, Congress provided $720,000 for Kentucky, of which $490,000 is for the Conservation Reserve Enhancement Program.

ARPA provided funding, for FY 2001 only, from the Commodity Credit Corporation for these conservation programs.

AMA provides cost-share assistance to producers to construct or improve water management or irrigation structures; plant trees to form windbreaks or to improve water quality; and mitigate crop failure risks through production diversification or the implementation of resource conservation. AMA also provides assistance to producers to enter into futures, hedging or options contracts in order to help reduce production, price or revenue risk. Signup activities were completed in FY 2001.

WHIP provides cost-sharing for landowners to apply an array of wildlife practices to develop habitat that will support upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife. In FY 2001, NRCS utilized $12.5 million made available through the Agricultural Risk Protection Act of 2000 to enroll nearly 2,300 agreements on approximately 212,000 acres. Since the program began in 1998, national enrollment includes a total of 10,729 long-term agreements on over 1.6 million acres.

FPP provides cost-share for acquiring conservation easements or other interests to limit conservation of agricultural lands to non-agricultural uses. FPP acquires perpetual conservation easements on a voluntary basis on lands with prime, unique, or other productive soil that presents the most social, economic, and environmental benefit. In FY 2001, NRCS entered into 57 cooperative agreements to protect 163 farms representing over 35,000 acres. The total easement cost for this activity has reached $552 million.

SWCA provides cost-share and incentive payments to farmers and ranchers to address threats to soil, water, and related natural resources in areas not designated as national conservation priority areas. Signup activities were completed in FY 2001.

NATURAL RESOURCES CONSERVATION SERVICE
Geographic Breakdown of Obligations
2001 Actual

	WHIP	FPP	SWCA	AMA
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
ALABAMA	$199,665	--	$67,000	--
ALASKA	71,800	--	68,930	--
ARIZONA	127,442	--	458,719	--
ARKANSAS	439,531	--	497,922	--
CALIFORNIA	331,604	$1,117,400	1,280,655	--
COLORADO	490,654	540,200	764,300	--
CONNECTICUT	194,299	623,500	--	$265,987
DELAWARE	10,413	617,300	--	220,524
FLORIDA	225,845	729,600	74,593	--
GEORGIA	187,443	--	150,467	--
HAWAII	166,761	--	118,400	--
IDAHO	228,061	212,200	671,851	--
ILLINOIS	305,602	520,000	598,730	--
INDIANA	198,310	--	359,200	--
IOWA	197,113	289,100	467,900	--
KANSAS	330,701	--	813,036	--
KENTUCKY	545,281	635,800	318,482	--
LOUISIANA	340,903	--	261,332	--
MAINE	590,406	663,800	239,988	401,851
MARYLAND	220,082	718,400	--	456,100
MASSACHUSETTS	147,643	637,800	49,181	347,754
MICHIGAN	493,876	562,200	--	--
MINNESOTA	402,445	--	942,600	--
MISSISSIPPI	973,757	--	160,752	--
MISSOURI	504,681	--	770,200	--
MONTANA	272,044	103,200	691,200	--
NEBRASKA	419,645	--	760,999	--
NEVADA	44,827	--	--	615,700
NEW HAMPSHIRE	197,438	527,900	95,700	211,500
NEW JERSEY	162,078	765,600	96,913	220,281
NEW MEXICO	156,560	--	695,400	--
NEW YORK	283,097	--	124,888	966,170
NORTH CAROLINA	300,535	440,900	395,453	--
NORTH DAKOTA	225,868	598,100	327,100	--
OHIO	237,334	--	488,330	--
OKLAHOMA	1,067,578	26,000	532,775	--
OREGON	277,282	--	629,216	--
PACIFIC BASIN	--	--	63,815	--
PENNSYLVANIA	317,629	665,800	162,851	1,194,199
PUERTO RICO	12,220	--	44,563	--
RHODE ISLAND	62,475	527,300	47,409	67,624
SOUTH CAROLINA	322,519	299,450	128,300	--
SOUTH DAKOTA	363,011	--	554,240	--
TENNESSEE	177,381	--	438,020	--
TEXAS	316,461	480,500	1,838,737	--
UTAH	165,787	116,500	436,196	782,321

	WHIP	FPP	SWCA	AMA
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
VERMONT	105,510	3,452,800	--	623,300
VIRGINIA	361,577	521,800	550,262	--
WASHINGTON	263,159	588,800	430,018	--
WEST VIRGINIA	329,006	--	280,635	617,700
WISCONSIN	312,480	518,000	399,282	--
WYOMING	388,566	--	521,500	1,220,700
NATIONAL HDQTR	10,608	--	83,000	80,000
UNDISTRIBUTED	--	50	48,960	8,289
Total Obligations	$15,077,028	$17,500,000	$20,000,000	$8,300,000

COMMODITY CREDIT CORPORATION (CCC)
AGRICULTURAL MANAGEMENT ASSISTANCE

STATUS OF PROGRAM

Background: Section 524(b) of the Federal Crop Insurance Act, 7 U.S.C. 1524(b), was added by Title I, Section 133, of the Agricultural Risk Protection Act of 2000 (PL 106-224, June 22, 2000). Section 524(b), Agricultural Management Assistance (AMA), authorizes the Secretary of Agriculture to use $10 million of Commodity Credit Corporation (CCC) funds for cost-share assistance in 10 to 15 States where participation in the Federal Crop Insurance program is historically low.

Section 524(b)(2)(A), (B), and (C), provides for cost-share assistance to producers to: construct or improve water management structures or irrigation structures; plant trees for windbreaks or improve water quality; and mitigate risks through production diversification or resource conservation practices, including soil erosion control, integrated pest management, or transition to organic farming.

Section 524(b)(2)(D) and (E), provides for cost-share assistance to producers to: enter into futures, hedging, or options contracts in a manner designed to help reduce production, price, or revenue risk; and enter into agricultural trade options as a hedging transaction to reduce production, price, or revenue risk.

Fifteen States were designated by the Secretary to participate in AMA: Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. The Natural Resources Conservation Service (NRCS), Risk Management Agency (RMA), and Agricultural Marketing Service (AMS), administered the AMA funds in amounts determined by the Secretary.

NRCS administered $8.3 million in fiscal year 2001 to carry out the conservation provisions of Section 524(b)(2)(A), (B), and (C) in the 15 designated States. Funding was divided between financial assistance and technical assistance at 81% and 19% respectively.

Program Development: NRCS developed and implemented the conservation provisions of AMA in fiscal year 2001. The program was designed to be flexible and to allow the States the opportunity to utilize the program to meet their resource needs. States individually determined the resource concerns to be addressed, eligible practices, applicant ranking criteria, the ranking process, cutoff dates for ranking applications, fund allocations within the state, payment methods, and public outreach and information activities. Decisions were made based on consultation with the State Technical Committee, using a locally led process.

To streamline the program, the cost share rate was set at 75 percent, no buy-down provisions were permitted, payments could be made the first year of the contract, and AMA could be used in conjunction with other programs. Implementation was based on development of a conservation plan for the area to be included in AMA. The conservation plan became the basis for developing the AMA contract. Participants then entered into 5- to 10-year contracts to install the conservation practices needed.

Participation in AMA is voluntary on the part of agricultural producers. Applicants were required to own or control the land and agree to implement specific eligible conservation practices. Applicants had to also meet the Food Security Act 'person' definition. Participants are allowed to contribute to the cost of a practice through in-kind contributions. Eligible in-kind contributions could include personal labor, use of personal equipment, donated labor or materials, and on-hand or approved used materials. Participants must agree to maintain cost-shared practices for the life of the practice.

Application: The Secretary officially announced the program on June 21, 2001. Information was provided to producers shortly thereafter. AMA generated a large amount of interest with applications far

exceeding available funding. The following tables indicate financial allocations and accomplishments in the 15 designated AMA States for fiscal year 2001.

Fiscal Year 2001 Allocations:

AMA State	Financial Assistance (FA) $'s	Technical Assistance (TA) $'s	Total State Allocation $'s
Connecticut	217,000	49,000	266,000
Delaware	181,800	39,600	221,400
Maine	329,000	72,900	401,900
Maryland	374,000	82,100	456,100
Massachusetts	286,200	64,900	351,100
Nevada	502,800	112,900	615,700
New Hampshire	172,400	39,100	211,500
New Jersey	183,100	40,000	223,100
New York	792,000	174,200	966,200
Pennsylvania	976,300	217,900	1,194,200
Rhode Island	55,500	12,200	67,700
Utah	640,600	141,700	782,300
Vermont	508,200	116,200	624,400
West Virginia	505,100	112,600	617,700
Wyoming	999,000	221,700	1,220,700
NHQ		80,000	80,000
Total	**6,723,000**	**1,577,000**	**8,300,000**

Funds in the amount of $6 million were initially distributed using an allocation formula based on 29 environmental factors that characterize the resources of the state. An additional $2.3 million was subsequently allocated to the states to address additional funding requests by the states.

Fiscal Year 2001 Accomplishments:

AMA State	Total Number of Applications Received	Number of Applications Funded	Acres Enrolled	Financial Assistance Obligated (FA) $'s	Technical Assistance Utilized (TA) $'s	Total $'s FA and TA
Connecticut	32	19	373	216,987	49,000	265,987
Delaware	21	12	340	180,924	39,600	220,524
Maine	169	28	1,535	328,951	72,900	401,851
Maryland	37	17	1,170	374,000	82,100	456,100
Massachusetts	140	24	372	282,853	64,900	347,753
Nevada	42	6	648	502,800	112,900	615,700
New Hampshire	26	2	765	172,400	39,100	211,500
New Jersey	22	22	246	180,281	40,000	220,281
New York	382	172	6,524	791,970	174,200	966,170
Pennsylvania	234	56	2,050	976,299	217,900	1,194,199
Rhode Island	6	3	31	55,424	12,200	67,624
Utah	19	12	8,413	639,521	141,700	781,221
Vermont	63	12	2,076	508,200	116,200	624,400
West Virginia	255	109	6,741	505,100	112,600	617,700
Wyoming	207	47	108,430	999,000	221,700	1,220,700
Total	**1,655**	**541**	**139,714**	**6,714,710**	**1,497,000**	**8,211,710**

COMMODITY CREDIT CORPORATION (CCC)
WILDLIFE HABITAT INCENTIVES PROGRAM
STATUS OF PROGRAM

Current Activities: Section 387 of the Federal Agriculture Improvement and Reform Act of 1996 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 technical and financial 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. In fact, 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 vegetation, manage non-industrial forestland, stabilize stream banks, protect, develop or enhance unique habitats, and remove barriers that impede migration of certain species.

WHIP places emphasis on:

- Wildlife and fishery habitats identified by local and State partners in each State;
- Habitats and wildlife species experiencing declining or significantly reduced populations including rare, threatened, and endangered species; and
- Practices beneficial to fish and wildlife that may not otherwise be funded.

Eligible lands under the program include:

- Privately owned land;
- Tribal land;
- State/local government lands on a limited basis; and
- Federal land when the primary benefit is on private lands and the project cannot meet its objectives without the Federal land.

Features of the program include:

Wildlife habitat development practices: NRCS will assist program participants with the installation of any practice NRCS determines is primarily for the development of wildlife habitat. Habitat priorities and program practices are identified at the State level. Examples of practices authorized under WHIP include native grassland seeding, prescribed burns, hardwood planting, and fish passage structure installation.

Financial and technical assistance: Under this program, NRCS provides up to 75 percent of the cost of installing the wildlife habitat development practices. Additionally, NRCS, in cooperation with public agencies and non-profit organization partners, provides technical assistance to program participants to develop wildlife habitats. NRCS and its partners provide program participants with an assessment of wildlife habitat conditions, recommendations of various practices that would improve these habitat conditions, and the development of a plan that incorporates practices and strategies for maximizing habitat for target species. This wildlife development plan becomes the basis of the agreement between NRCS and the participant. The wildlife habitat development plan identifies the cost share practices that will be

installed as well as the operation and maintenance requirements for the life of the agreement. Agreements last from 5 to 10 years.

Program implementation: In FY 2001, NRCS utilized $12.5 million dollars made available by the Agricultural Risk Protection Act of 2000 to enroll nearly 2,300 agreements on approximately 212,000 acres. Since the program began in 1998, national enrollment includes a total of 10,729 long-term agreements on over 1.6 million acres. On average, NRCS agreed to reimburse participants approximately $5,825 for each long-term agreement. The average agreement size is 149 acres.

Wildlife priorities were established on a State-by-State basis. States generally selected 2 to 6 priority habitat types, consistently including one or more upland and riparian habitats. Wetlands, aquatic in-stream habitat and other unique wildlife habitat such as caves and salt marshes were also identified as priorities in a number of States. Nationally, acres were distributed among 4 major habitat types, with benefits to the associated declining species, as follows:

Upland Wildlife Habitat: Of the total FY 2001 acres enrolled, approximately 90 percent encompassed upland wildlife habitat including grasslands, shrub/scrub and forests. Several types of early successional grasslands, such as tall grass prairies, have declined more than 98 percent according to a 1995 U.S. Fish and Wildlife Service Report. One of the primary focuses of WHIP nationally, is restoration of some of these scarce areas. Wildlife dependent on native grasslands includes neo-tropical migratory birds, waterfowl, amphibians, reptiles and many mammals. Specific species that will benefit from re-establishment of grasslands in one or more states include: grasshopper sparrow, bobwhite quail, swift fox, short-eared owl, Karner-blue butterfly, gopher tortoise, western-harvest mouse, and Gunnison-sage grouse.

Other upland priorities include the establishment of windbreaks and edge around cropland, forests including pine barrens and long leaf pine, wildlife corridors, and shrub-scrub and steppe habitats. Wildlife species that will benefit from development of these habitats include: Louisiana black bear, Eastern collared lizard, Bachman's sparrow, ovenbird, acorn woodpecker, and western grey-squirrel.

Practices installed on upland habitat include: various types of seeding and plantings, fencing, livestock management, prescribed burning, shrub thickets with shelterbelts. Additional practices were installed for the benefit of forest land management including creation of forest openings, various types of disking or mowing including meander disking through woodlands, woody cover control, brush management, upland wildlife management, aspen stand regeneration, and exclusion of feral animals.

Wetland Wildlife Habitat: Approximately 5 percent of WHIP lands benefit wetland habitat. WHIP wetland acres include acreage that is not eligible for the NRCS Wetlands Reserve Program such as winter flooding of crop fields for waterfowl. Other wetland types that will be enhanced include tidal flushing areas, salt marshes, wetland hardwood hammocks, mangrove forests, and wild-rice beds. Created wetlands include freshwater marshes and vernal pools in abandoned gravel mines. Practices that will be used to enhance or create wetland wildlife habitat include: installation of culverts or water control structures, invasive plant control, fencing, creation of green-tree reservoirs, moist soil unit management, and creation of shallow water areas. Among the wildlife species that will benefit from creation or enhancement of wetland habitat are: black crowned night heron, snowy egret, canvasback duck, ibis, piping plover, short-nosed sturgeon, osprey, California-clapper rail, fairy shrimp, Santa Cruz long-toed salamander, and endangered waterbirds (Koloa duck, nerie goose, coot) in Hawaii.

Riparian and In-stream Aquatic Wildlife Habitat: Riparian habitat makes up over 5 percent of the acres enrolled in FY 2001. This category includes riparian areas along streams, rivers, lakes, sloughs and coastal areas. Not all WHIP practices are measured in acres. For instance, for aquatic practices, WHIP funds were utilized on acres, funds restored over 60 miles of river access, and addressed over 24,000 feet of streambank/shoreline protection. Species that will benefit from the wildlife practices installed in riparian or aquatic areas include: Columbia sharp-tail grouse, Le/Conte's sparrow, bull trout, grayling, westslope cutthroat trout, Preble's meadow jumping mouse, southwest willow flycatcher, woodcock, Hellbender,

river otter, brook trout, short-nose sturgeon, puritan tiger beetle, Higgin's eye pearly mussel, Pallid shiner, ornate box turtle, alligator snapping turtle, lest tern, leopard darter, Arkansas darter, Ouachita Rock-pocketbook mussel, Bonneville cutthroat trout, Oregon chub, painted turtle, belted kingfisher, yellow-billed cuckoo, California freshwater shrimp, valley-elderberry longhorn beetle, American shad, and Pacific giant salamander.

Practices that will be installed to improve aquatic and riparian wildlife habitat include: tree plantings, fencing with livestock management and off-stream watering, in-stream structures, seeding, streambank protection and stabilization, stream deflectors, creation of small pools, installation of buffers, removal of dams, fencing, creation of fish passages past structures, alternative watering facilities, and establishment of instream structures such as logs or rocks.

Threatened and Endangered Species: Of the total acreage enrolled in FY 2001, approximately 15 percent will benefit threatened and endangered species. Threatened and endangered species targeted through WHIP include, but are not limited to the following: American-burying beetle, Neosho madtom, Topeka shiner, gray bat, kit fox, black-tailed prairie dog, bog turtle, gopher tortoise, dusky-gopher frog, Eastern-indigo snake, southern-hognose snake, black-pine snake, Louisiana-black bear, red-cockaded woodpeckers, Mississippi-sandhill crane, Florida panther, wood storks, snail kites, Florida sandhill crane, caracara, grasshopper sparrow, Snake River-Chinook salmon, Umpqua River-cutthroat trout, coho salmon, steelhead, bulltrout, Lahontan-cutthroat trout, Yuma-clapper rails, Sonoran pronghorn, Mexican voles, and lesser long-nosed bats.

Partnerships: NRCS, in cooperation with other Federal agencies, State and local partners, and the private sector, functions as part of a diverse, united coalition to address local and national conservation issues affecting our nation. NRCS works at the local level and through the State Technical Committee to establish wildlife priorities. This process allows for local input as well as the coordination of wildlife priorities with other wildlife interest in the state encouraging the leveraging of other state, federal and private dollars to address state and local wildlife priorities. Partners provide technical expertise identifying wildlife concerns, assisting in the development of wildlife habitat development plans and monitoring progress. In addition, partners provide financial assistance through additional cost-share dollars, purchase of seed, by supplying equipment, or installing practices for the participant. The emphasis placed on partners in WHIP has improved communication and coordination among various interests addressing wildlife concerns. They are an essential part of the success of the program. In FY 2001, partners contributed over two million dollars to help WHIP participants establish wildlife habitat practices on enrolled lands.

COMMODITY CREDIT CORPORATION (CCC)
FARMLAND PROTECTION PROGRAM

STATUS OF PROGRAM

The Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) authorized the Farmland Protection Program (FPP) under the Commodity Credit Corporation (CCC). The FPP is designed to enable the Federal government to establish partnerships with State, Tribal, or local governmental entities to share in the costs of acquiring conservation easements or other interests in order to limit conversion of agricultural lands to nonagricultural uses.

The Natural Resources Conservation Service (NRCS) has been designated by the Secretary of Agriculture as the lead agency to implement FPP, while the Farm Service Agency (FSA) disburses FPP payments.

FPP Performs the Following Activities:

- Establishes partnerships with State, Tribal, or local governmental entities to leverage their purchase of development rights by providing matching funds of no more than 50 percent of the purchased easement price;
- Acquires perpetual conservation easements or other interests on a voluntary basis on lands with prime, unique, or other productive soil that presents the greatest social, economic, and environmental benefits; and,
- Protects topsoil by limiting conversion to nonagricultural uses of the land.

FPP supports the NRCS Strategic Goal 2—which relates reducing unintended adverse effects of natural resource development and use to ensure a high quality environment.

Eligible lands under the program include:

- Lands with prime, unique, or other productive soil; and
- Other incidental lands that would not otherwise be eligible, but are considered part of a pending easement offer by a State, Tribal, or local governmental entity.

Features of the program include:

Program operation: FPP is carried out through the existing State, Tribal, or local governmental entities' farmland protection programs. Any local or State agency, county or group of counties, municipality, town or township, soil and water conservation district, or American Indian tribe or tribal organization, which has a farmland protection program that purchases conservation easements or other interests for the purpose of protecting topsoil by limiting conversion to nonagricultural uses of land, and which has pending offers with willing landowners, may apply for FPP funds. Individual landowners need to apply to and be accepted by the State, Tribe, or local government programs in order to participate in Federal FPP. To date, all acquired easements and other interests proposed for acquisition are for perpetuity.

Potential participating entities must provide written evidence of:

- Their commitment to the long-term conservation of agricultural lands through the use of legal devices, such as right-to-farm laws, agricultural districts, zoning, or land use plans;
- The use of voluntary approaches to protect farmland from conversion to nonagricultural uses;
- Their capability to acquire, manage, and enforce easement rights or other interests in land; and,
- Funds totaling at least 50 percent of the total cost of easement acquisitions.

Once selected, the entity awarded and the United States Department of Agriculture NRCS sign a cooperative agreement. Cooperating entities process the easement acquisition, as well as hold and manage the acquired easements. The Federal share for any easement acquisition is limited to the maximum of 50 percent of the purchased easement price. A contingent remainder right must be incorporated in each easement deed for the protection of the Federal investment. To ensure responsible land stewardship, the

implementation of a conservation plan is also required for each easement acquired in part with Federal funds. A failure to abide by the terms of the cooperative agreement or in the recorded easement deed may result in the easement rights being vested in the United States or for the cooperating entity to reimburse the United States in full for its Federal share of the purchase easement price.

Program funding: FPP funds are made available from the CCC. A total of $35 million was authorized in the 1996 Act. When easement acquisitions are completed, cooperating entities submit appropriate documentation to the respective NRCS State office and request reimbursement equal to the Federal share of the easement price. FSA issues payment after receipt of NRCS certification of the reimbursement requested.

In fiscal year (FY) 2000, Congress earmarked $250,000 to farmland protection efforts in New Hampshire. In FY2001, an estimated $17.5 million in additional funds were authorized with the passage of the Agricultural Risk Protection Act (i.e., Section 211(a) for $10 million, and an additional $7.5 million through Section 211 (b) of the Agricultural Risk Protection Act's 211(b)). The authorization of these funds were for the USDA to perform "...soil and water conservation work." With the additional funding of $17.5 million in FY 2001, since the program's inception total funds obligated have reached $52.75 million.

Technical assistance: NRCS provides technical assistance to landowners in developing conservation plans for those acres that have been accepted in FPP. The plan ensures protection of all natural resources associated with the conservation easement.

Current Activities: NRCS uses a request for proposals (RFP) process for FPP participation. A notice of RFP is published in the Federal Register each year when funds are made available. Program policy and procedures are addressed in the notice. Proposals are received by the NRCS State offices and forwarded to the national office for review. Cooperative agreements are signed between the selected cooperating entities and NRCS to obligate FPP funds. As of September 2001, the entire $52.75 million had been obligated in financial and technical assistance.

Table 1: FPP Funds Requested

Fiscal Year	RFP Published Date	States Applied	No. of Easements	Proposed Acreage	Est. Easement Value ($ mil.)	FPP Funds Requested ($ mil.)
1996	8/21/96	20	628	176,000	$329.00	$130.60
1997	5/28/97	12	98	10,000	40.00	6.50
1998	3/20/98	20	481	99,000	205.00	61.20
2000	Congressional Earmark	1	5	262	0.51	N/A
2001	1/22/01	29	742	167,368	292.00	$107.70
Total			1,954	452,630	$866.51	$306.00

Table 2: FPP Funds Awarded

Fiscal Year	States Awarded	Number of Easements*	Total Acres Acquired*	Est. Easement Value ($ mil.)*	FPP Financial Assistance Funds Awarded ($ mil.)*
1996	17	163	29,781	$57.69	$14.43
1997	10	26	4,512	10.70	1.92
1998	19	186	38,507	60.50	17.28
2000	1	5	262	0.51	0.24
2001	28	163	34,902	57.50	16.80
Total		543	107,964	$186.91	$50.67

* Includes pending easements.

As Tables 1 and 2 indicate (excluding fiscal year 2000) FPP funds were available at 11, 30, 28, and 16 percent of the funds requested. As is evident from the tables, the demand for the program has exceeded available funds by approximately 165 percent.

Since program inception in 1996, 28 States have received nearly $50.67 million for financial assistance from FPP funds. (See Table 2-FPP Funds Awarded). Approximately 108,000 acres on 543 farms, with an estimated cumulative easement value of nearly $187 million, have or will have easement contracts in the near future. (See Table 3-FY 1996-2001 Cumulative Summary). For every Federal dollar invested through FPP, an additional $3.68 has been contributed by the participating State and local governmental entities and non-governmental organizations.

As of FY 2001 end, easements purchased in part with FPP funds were completed on 353 farms. (See Table 3-FPP FY 1996-2001 Cumulative Summary). As a result, approximately 66,406 acres of mostly prime and unique farmland on the urban fringe are permanently protected from conversion to nonagricultural uses. The total easement price associated with these farms was approximately $119 million ($32.504 million from FPP and $86.467 million from partnerships), with an average price of $1,792 per acre. For the easements already acquired, the average Federal share accounts for approximately 27 percent, the average State and local government and non-governmental organization share accounts for the remaining 73 percent.

Table 3: FPP FY 1996-2001 Cumulative Summary

State	Total Obligations For FPP Funding	Easements Acquired*		Pending Easements	
		Number	Acres	Number	Acres
CALIFORNIA	$4,473,100	10	1,129	11	690
COLORADO	2,518,100	10	4,130	2	1,223
CONNECTICUT	2,598,200	6	938	6	1,104
DELAWARE	2,922,200	18	5,696	11	2,430
FLORIDA	1,733,200	2	3,709	1	1,800
IDAHO	204,000	0	0	1	680
ILLINOIS	500,000	0	0	1	100
IOWA	278,000	0	0	5	920
KENTUCKY	1,710,000	14	2,663	9	628
MASSACHUSETTS	3,011,900	27	2,756	7	472
MARYLAND	3,689,397	66	8,658	19	4,801
MAINE	996,900	2	269	7	2,642
MICHIGAN	2,939,200	14	1,723	4	413
MONTANA	99,200	0	0	1	99
NORTH CAROLINA	1,025,800	6	343	3	679
NEW HAMPSHIRE	1,071,300	11	773	3	262
NEW JERSEY	3,334,800	28	5,306	24	2,478
NEW YORK	2,322,600	11	1,800	16	4,725
OKLAHOMA	25,000	0	0	1	107
PENNSYLVANIA	3,908,800	58	11,404	14	2,206
RHODE ISLAND	1,680,700	8	616	3	361
SOUTH CAROLINA	288,000	0	0	1	191
TEXAS	462,000	0	0	1	900
UTAH	112,000	0	0	1	16
VIRGINIA	600,400	0	0	3	1,111
VERMONT	5,618,700	39	12,395	25	9,406
WASHINGTON	1,214,800	12	897	7	534
WISCONSIN	1,326,700	11	1,201	3	580
TOTAL	$50,664,997	353	66,406	190	41,558

* Easements acquired through September 30, 2001.

COMMODITY CREDIT CORPORATION (CCC)
SOIL AND WATER CONSERVATION ASSISTANCE

STATUS OF PROGRAM

Background: Title II, Section 211(b), of the Agricultural Risk Protection Act of 2000 (PL 106-224, June 22, 2000) authorized the Secretary of Agriculture to use funds of the Commodity Credit Corporation to provide financial assistance to farmers and ranchers in areas that have not been designated as conservation priority areas under section 1230(c) of the Food Security Act of 1985 (16 U.S.C. 3830(c)). Financial assistance for Section 211(b), Soil and Water Conservation Assistance (SWCA), was made available in the form of cost share payments or incentive payments, as determined by the Secretary.

Section 211(b) provided financial assistance to farmers and ranchers to: address threats to soil, water, and related natural resources, including grazing land, wetland, and wildlife habitat; comply with Federal and State environmental laws; and make beneficial, cost-effective changes to cropping systems, grazing management, manure, nutrient, pest, or irrigation management, land uses, or other measures needed to conserve and improve soil, water, and related natural resources.

SWCA was available nationwide, except in six states. Those six states (Connecticut, Delaware, Maryland, Michigan, Nevada, and Vermont) did not contain areas that were not designated as conservation priority areas under section 1230(c) of the Food Security Act of 1985 (16 U.S.C. 3830(c)).

The Natural Resources Conservation Service (NRCS) administered SWCA, on behalf of the Secretary, at a funding level of $20 million in fiscal year 2001. Funding was divided between financial assistance and technical assistance at 81% and 19% respectively. Funding for SWCA was available for fiscal year 2001 only. There are no provisions for funding the program beyond fiscal year 2001.

Program Development: NRCS developed and implemented SWCA in fiscal year 2001. The program was designed to be flexible and to allow the States the opportunity to utilize the program to meet their resource needs. States individually determined the resource concerns to be addressed, eligible practices, applicant ranking criteria, the ranking process, cutoff dates for ranking applications, fund allocations within the state, payment methods, and public outreach and information activities. Decisions were made based on consultation with the State Technical Committee, using a locally led process.

To streamline the program the cost share rate was set at 75 percent, no buy-down provisions were permitted, payments could be made the first year of the contract, and SWCA could be used in conjunction with other programs. Implementation was based on development of a conservation plan for the area to be included in SWCA. The conservation plan became the basis for developing the SWCA contract. Participants then entered into 5 to 10 year contracts to install the conservation practices needed.

Participation in SWCA was voluntary on the part of agricultural producers. Applicants were required to own or control the land and agree to implement specific eligible conservation practices. Participants are allowed to contribute to the cost of a practice through in-kind contributions. Eligible in-kind contributions could include personal labor, use of personal equipment, donated labor or materials, and on-hand or approved used materials. Participants must agree to maintain cost-shared practices for the life of the practice.

Application: The Secretary officially announced the program on June 21, 2001. Information was provided to producers shortly thereafter. SWCA generated a large amount of interest with applications far exceeding available funding. The following tables indicate financial allocations and accomplishments in the SWCA States for fiscal year 2001.

Fiscal Year 2001 Allocations:

SWCA State	Financial Assistance (FA) $'s	Technical Assistance (TA) $'s	Total State Allocation $'s
Alabama	54,500	12,500	67,000
Alaska	56,030	12,900	68,930
Arizona	373,120	85,600	458,720
Arkansas	406,700	93,300	500,000
California	1,043,200	239,400	1,282,600
Colorado	621,700	142,600	764,300
Florida	77,500	17,800	95,300
Georgia	122,400	28,100	150,500
Hawaii	96,300	22,100	118,400
Idaho	550,300	126,000	676,300
Illinois	487,030	111,700	598,730
Indiana	292,200	67,000	359,200
Iowa	380,600	87,300	467,900
Kansas	663,700	152,300	816,000
Kentucky	259,200	59,500	318,700
Louisiana	214,900	49,300	264,200
Maine	195,200	44,800	240,000
Massachusetts	40,000	9,200	49,200
Minnesota	766,700	175,900	942,600
Mississippi	131,000	30,100	161,100
Missouri	626,500	143,700	770,200
Montana	562,200	129,000	691,200
Nebraska	619,400	142,100	761,500
New Hampshire	77,800	17,900	95,700
New Jersey	78,900	18,100	97,000
New Mexico	565,700	129,700	695,400
New York	101,490	23,400	124,890
North Carolina	323,600	74,300	397,900
North Dakota	266,100	61,000	327,100
Ohio	400,400	91,900	492,300
Oklahoma	433,400	99,500	532,900
Oregon	513,300	117,800	631,100
Pacific Basin	52,000	11,900	63,900
Pennsylvania	132,460	30,400	162,860
Puerto Rico	36,400	8,400	44,800
Rhode Island	38,600	8,900	47,500
South Carolina	104,400	23,900	128,300
South Dakota	450,750	103,500	554,250
Tennessee	357,100	81,900	439,000
Texas	1,495,600	343,200	1,838,800
Utah	354,800	81,400	436,200
Virginia	449,700	103,200	552,900
Washington	349,720	80,300	430,020
West Virginia	228,400	52,400	280,800
Wisconsin	324,800	74,500	399,300
Wyoming	424,200	97,300	521,500
NHQ		83,000	83,000
Total	**16,200,000**	**3,800,000**	**20,000,000**

Fiscal Year 2001 Accomplishments:

SWCA State	Total Number of Applications Received	Number of Applications Funded	Acres Enrolled	Financial Assistance Obligated (FA) $'s	Technical Assistance Utilized (TA) $'s	Total $'s FA and TA
Alabama	51	30	546	54,500	12,500	67,000
Alaska	3	2	25,200	56,030	12,900	68,930
Arizona	88	20	11,092	373,118	85,600	458,718
Arkansas	996	139	18,033	404,622	93,300	497,922
California	72	40	25,866	1,041,254	239,400	1,280,654
Colorado	371	77	99,587	621,700	142,600	764,300
Florida	14	10	1,714	56,792	17,800	74,592
Georgia	125	27	5,609	122,367	28,100	150,467
Hawaii	33	5	1,615	96,300	22,100	118,400
Idaho	85	43	43,708	545,851	126,000	671,851
Illinois	95	67	6,090	487,030	111,700	598,730
Indiana	207	27	2,160	292,200	67,000	359,200
Iowa	180	70	3,500	380,600	87,300	467,900
Kansas	385	131	46,990	660,736	152,300	813,036
Kentucky	578	31	2,485	258,982	59,500	318,482
Louisiana	108	70	11,476	212,032	49,300	261,332
Maine	6	6	1,083	195,188	44,800	239,988
Massachusetts	20	5	112	39,981	9,200	49,181
Minnesota	405	162	4,105	766,700	175,900	942,600
Mississippi	89	29	3,400	130,652	30,100	160,752
Missouri	201	103	20,480	626,500	143,700	770,200
Montana	37	30	37,436	562,200	129,000	691,200
Nebraska	392	67	53,618	618,899	142,100	760,999
New Hampshire	14	1	250	77,800	17,900	95,700
New Jersey	8	5	136	78,813	18,100	96,913
New Mexico	227	19	60,924	565,700	129,700	695,400
New York	37	13	3,267	101,488	23,400	124,888
North Carolina	41	38	969	321,153	74,300	395,453
North Dakota	59	40	47,137	266,100	61,000	327,100
Ohio	122	68	8,458	396,430	91,900	488,330
Oklahoma	259	87	13,462	433,275	99,500	532,775
Oregon	40	17	8,288	511,416	117,800	629,216
Pacific Basin	31	5	20	51,915	11,900	63,815
Pennsylvania	22	4	129	132,451	30,400	162,851
Puerto Rico	27	21	1,086	36,163	8,400	44,563
Rhode Island	2	2	123	38,509	8,900	47,409
South Carolina	65	13	689	104,400	23,900	128,300
South Dakota	89	20	40,376	450,740	103,500	554,240
Tennessee	424	67	5,925	356,120	81,900	438,020
Texas	565	237	33,619	1,495,537	343,200	1,838,737
Utah	57	22	22,660	354,795	81,400	436,195
Virginia	101	33	3,398	447,062	103,200	550,262
Washington	88	8	4,972	349,718	80,300	430,018
West Virginia	220	56	2,147	228,235	52,400	280,635
Wisconsin	109	61	14,200	324,782	74,500	399,282
Wyoming	170	36	25,000	424,200	97,300	521,500
Total	7,318	2,064	723,140	16,151,036	3,717,000	19,868,036

WEDNESDAY, MARCH 6, 2002.

UNITED STATES DEPARTMENT OF AGRICULTURE MARKETING AND REGULATORY PROGRAMS

WITNESSES

WILLIAM T. HAWKS, UNDER SECRETARY
BOBBY R. ACORD, ADMINISTRATOR, ANIMAL AND PLANT HEALTH INSPECTION SERVICE
A.J. YATES, ADMINISTRATOR, AGRICULTURAL MARKETING SERVICE
JOANN WATERFIELD, DEPUTY ADMINISTRATOR FOR PACKERS AND STOCKYARDS PROGRAMS, GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION
STEPHEN B. DEWHURST, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Mr. BONILLA. The subcommittee will come to order.

I am delighted today to be holding this budget hearing for the marketing and regulatory programs at USDA. The agencies under marketing and regulatory programs include the men and women who are charged with keeping America's agriculture safe from foreign pests and diseases, ensuring that agriculture markets are operating with the greatest efficiency by promoting fair and competitive trade practices that benefit consumers and American agriculture.

INTRODUCTION OF WITNESSES

We have with us today Mr. Bill Hawks, the Under Secretary for Marketing and Regulatory Programs; Mr. Bobby Acord, the Administrator for the Animal and Plant Health Information Service; Mr. A.J. Yates, the Administrator for the Agriculture Marketing Service; and JoAnn Waterfield, Deputy Administrator for Grain Inspection, Packers and Stockyards Administration. And, of course, we always welcome Mr. Dewhurst, who wasn't with us recently.

We understand that you had a little rough going over on the other side of the Hill the other day. We read about that, Steve. We have fun over here, and we welcome you back.

We have read your statements and have entered them into the record. We will be delighted to hear from all of you in just a moment, but before we begin, I would like to yield to my friend, Ms. Kaptur, for any comments that she may have before we continue.

Ms. KAPTUR. Thank you, Mr. Chairman. I just want to welcome our witnesses and to say that you have some of the most important responsibilities in our country. We appreciate your service, and we are very anxious to hear your testimony this morning, and we want to help you do your job better. Thank you very much.

Mr. BONILLA. Thank you very much, Ms. Kaptur.

Mr. Hawks, we will go ahead and begin with you. We understand others would like to make some opening remarks and again we

have entered all of your statements into the record. We will be delighted to hear from all of you this morning. We will begin with Mr. Hawks.

OPENING STATEMENT

Mr. HAWKS. Thank you, Mr. Chairman, members of the Committee. It is indeed a pleasure for me to be here to discuss the budget for the Marketing and Regulatory Programs for the 2003 fiscal year. We do have the budgets for Agriculture Marketing Service, AMS; Animal and Health Plant Inspection Service, APHIS; and the Grain Inspection, Packers and Stockyards Administration, GIPSA.

Joining me today also is my deputy from the great State of Texas; Jim Butler is sitting right behind me. And as you have already said, we have A.J. Yates from AMS, Bobby Acord from APHIS and JoAnn Waterfield representing GIPSA.

I would like to start by giving you my philosophy, and that is working together—and I have worked with my agencies to draft goals for which we can be held accountable—I intend to see that MRP works. Those goals are, one, building broader bridges. We will increase cooperation and strategic partnerships with farmers, ranchers, States, foreign governments, congressional offices and other interested parties to ensure that our policies benefit producers and consumers alike.

Second, we are intent on moving more product. We will facilitate expanded domestic and international market opportunities for U.S. agriculture products, including value-enhanced products and products of biotechnology.

Third, we are investing in infrastructure. An agriculture that is healthy both biologically and economically is marketable agriculture.

Fourth, we believe in growing our people. We will make a concerted effort to recruit, recognize and reward accomplishments and inspire current and future leaders within MRP.

Last, but certainly not least, is selling agriculture as a profession. We will creatively market the vital role that agriculture plays in all Americans' lives to assist our effort to recruit, retain the highest caliber work force for MRP and USDA.

The funding sources for our agency that we are proposing today are funded both by taxpayers and beneficiaries of the program services. The total budget is nearly $1.5 billion, over $500 million of which is funded by user fees paid by the beneficiaries of the services.

On the appropriations side, APHIS is requesting $395.4 million, of which $13.2 million is for building and facilities. AMS is requesting $105.2 million, and GIPSA is requesting $42.9 million.

The Agricultural Marketing Service, or AMS, activities are an integral component of the USDA-wide effort to assist the U.S. agricultural industry in marketing their products and in finding ways to improve their profitability. Many of the programs administered by AMS are aimed at building cooperative and strategic partnerships with the agriculture community and State institutions that support it.

Additionally, AMS provides oversight to research and promotion programs that allow producers, handlers, processors or importers to collaborate to solve marketing problems and to increase sales domestically and abroad. USDA continues to believe that the National Commodity Research and Promotion Programs offer opportunities to maintain, develop and expand markets.

AMS is requesting much-needed additional funding to maintain the viability of the Federal seed programs and to bolster exports through international market price reporting.

The Animal and Plant Health Inspection Service, as you well know, the primary mission is to manage issues involving animal and plant health, conflicts with wildlife, environmental stewardship and animal well-being, and I am certainly pleased to see the beetle on the wall back here today.

Together with the States and industries, APHIS protects and promotes U.S. agricultural health, preserving and expanding domestic and international markets for U.S. agricultural products.

Recent events have highlighted the need to protect the security of our agriculture production sector and our food supply. However, well before September the 11th and long before foot-and-mouth disease crippled the British agricultural sector, APHIS had been fully engaged in activities to detect and exclude agricultural health threats and ensure preparedness and appropriate infrastructure to address pest and disease emergencies that occur.

We have indeed encountered emergencies. Just in the last year alone the Department released $336 million in funds from the Commodity Credit Corporation to address outbreaks of disease. Asian long-horned beetle, chronic wasting disease, citrus canker, karnal bunt, Medflies, plum pox, pseudorabies and tuberculosis.

The Grain Inspection, Packers and Stockyards Administration's mission is to facilitate the marketing of livestock, meat, poultry, cereals, oilseed and related agricultural products and to promote fair and competitive trade for the benefit of the consumers of American agriculture.

It helps move more product, both domestically and abroad, by investing in domestic infrastructure that supports marketing within the grain, poultry, livestock and meat industries. GIPSA's Federal Grain Inspection Service is requesting increased funding that will allow it to expand its newly established biotechnology programs and to keep pace with the rapid introduction of new value-added products, whether developed through biotechnology or conventional breeding.

This concludes my statement, and I look forward to working together as we proceed in the 2003 budget appropriations process. We believe the proposed funding amounts and sources of funding are vital to providing the infrastructure to protect American agriculture from pests and disease and for moving more product, especially for increasing exports to foreign markets. It will provide the level of services expected for our customers, the farmers, the ranchers and the agriculture marketing industry and consumers.

We are happy to answer any questions that you may have. Thank you.

[The statement of Mr. Hawks follows:]

Statement by
William T. Hawks
Under Secretary of Agriculture
for Marketing and Regulatory Programs
before the House Subcommittee on Agriculture,
Rural Development, Food and Drug Administration and Related Agencies

March 6, 2002

Mr. Chairman and members of the Committee, I am pleased to appear before you to discuss the activities of the Marketing and Regulatory Programs of the U.S. Department of Agriculture and to present our fiscal year (FY) 2003 budget proposals for the Agricultural Marketing Service (AMS), the Animal and Plant Health Inspection Service (APHIS), and the Grain Inspection, Packers and Stockyards Administration (GIPSA).

With me today are Dr. James Butler, Deputy Under Secretary for MRP; Mr. A. J. Yates, Administrator of the AMS; Mr. Bobby Acord, Administrator of APHIS; and Mr. David Shipman, Acting Administrator of the GIPSA. They have statements for the record and will answer questions regarding specific budget proposals.

MAKING OUR MARK

Under my leadership, the Marketing and Regulatory Programs have identified several broad goals and objectives which will leave a legacy for this Administration. I intend to hold us accountable for:

Building Broader Bridges. We will increase cooperation and strategic partnerships with farmers and ranchers, States, foreign governments, congressional offices, agricultural commodity and industry associations, agricultural scientific groups, and other interested parties to ensure that our policies and programs provide the most benefits they can to the affected people.

Moving More Product. We will facilitate expanded domestic and international market opportunities for U.S. agriculture products including value enhanced products and products of biotechnology. We will work closely with the Foreign Agricultural Service anf the U.S. Trade Representative to aggressively and creatively resolve sanitary, phytosanitary, biotechnology, grain inspection, commodity grading and other trading issues that limit our potential for growth in international trade;

Investing in Infrastructure. Agriculture that is healthy, both biologically and economically, is marketable agriculture. We will invest in stronger border security, pest and disease surveillance and monitoring, bricks and mortar such as National Veterinary Science Lab in Ames, increased market news on export markets, improvements in e-Government, enhanced investigations of anti-competitive market practices and greater support for biotechnology.

Growing Our People. We will make a concerted effort to recruit, recognize and reward accomplishment and inspire current and future leaders within MRP. We will make MRP a place where the best and brightest want to be – including promising men and women in diverse fields that include not only agriculture but also journalism, accounting, and economics. And,

Selling Agriculture as a Profession. We will creatively market the vital role that agriculture plays in every American's life to assist our efforts to recruit and retain the highest calibre workforce for MRP and USDA.

FUNDING SOURCES

The Marketing and Regulatory Program activities are funded by both the taxpayers and beneficiaries of program services. They carry out a programs costing nearly $1.5 billion; over $500 million is funded by user fees paid by the beneficiaries of the services.

On the appropriation side, the Animal and Plant Health Inspection Service is requesting $795.4 million of which $13.2 million is for buildings and facilities; the Agricultural Marketing Service is requesting $105.2 million; and the Grain Inspection, Packers and Stockyards Administration is requesting $42.9 million.

Legislation will be submitted, which if enacted would recover $34 million more in user fees. This legislation would authorize new license fees to recover the cost of administering the Packers and Stockyards (P&S) Act, additional license fees for facilities regulated under the Animal Welfare Act, and additional grain inspection fees for developing grain standards. I will use the remainder of my time to highlight the major activities and budget requests for the Marketing and Regulatory Programs.

AGRICULTURAL MARKETING SERVICE

AMS activities are an integral component of USDA-wide efforts to assist the U.S. agricultural industry in marketing their products and in finding ways to improve their profitability. AMS' mission is to facilitate the marketing of agricultural products in the domestic and international marketplace, ensure fair trading practices, and promote a competitive and efficient marketplace to the benefit of producers, traders, and consumers of U.S. food and fiber products.

Building Cooperative and Strategic Partnerships

Many of the programs administered by AMS are aimed at building cooperative and strategic partnerships with the agricultural community and the State institutions that support it. AMS' oversight of marketing agreements and orders provides producers the marketing tools they need to create dependable markets the ensure adequate supplies at a reasonable price throughout the year. In addition, AMS provides oversight to research and promotion programs that allow producers, handlers, processors, or importers to collaborate to solve marketing problems and to increase sales domestically and abroad. USDA continues to believe that national commodity research and promotion programs offer opportunities to maintain, develop and expand markets for agricultural products both at home and abroad. The market news, shell egg surveillance, commodity grading, pesticide data, pesticide recordkeeping, and federal seed programs depend on support from their State partners to collect and disseminate information, provide inspections, and otherwise improve the efficiency of both State and Federal programs by sharing human and capitol resources.

An example of recent success is the implementation of the National Organic Standards Program. AMS has worked closely with producers of organic products to develop and implement the National Organic Certification Program. This program will facilitate trading of organic products by verifying for buyers and consumers, across the U.S. and internationally, that organic food labeling is accurate and consistent. The program has established national standards for organic production and handling, and is now accrediting certification agents who will conduct annual on-site inspections to verify that organic products meet these standards. The program's 18-month implementation period began April 21, 2001 and ends October 21, 2002, when the official USDA organic seal will be permitted for use on certified organic fresh and processed products.

The program estimates that within a few years of operation, the program will oversee the certification of approximately 14,000 organic producers and handlers.

Moving More Product More Efficiently

U.S. agriculture is facing continual and rapid changes in the industry, Federal and State regulations and support, domestic and international consumer preferences, and an ever-expanding dependence on export markets.

AMS support of international market opportunities for U.S. agricultural products will yield enormous dividends for the farm economy, national and world economies. With funding received in 2002, AMS has increased its participation in international forums that establish international agricultural trading standards. By working more closely with international organizations, AMS is better able to ensure that U.S. agricultural interests are represented in development of international standards that govern the movement of commodities in international commerce. This will allow U.S. agriculture to remain competitive in foreign markets.

Major changes in transportation services and marketing practices have increased the need for impact and policy analysis and economic research to ensure the efficient flow of agricultural commodities through the distribution system. To address these complex problems, AMS brings together a unique combination marketing and transportation specialists that conduct analyses to support the maintenance of an efficient transportation system for rural America and enhance the overall effectiveness of the food marketing system.

Investing in the Agriculture Infrastructure

As highlighted in the Administration"s report, *Food and Agricultural Policy: Taking Stock for the New Century*, the success of U.S. agriculture depends on investment in basic services that not only protect producers from external threats such as pest and disease, but also provide the market information and data necessary for competitive and efficient markets. AMS has been able capitalize on its broad expertise and experience in these matters to develop effective programs and partnerships that provide objective, consistent market data necessary for decisionmaking.

The Livestock Mandatory Price Reporting has been a successful effort to provide livestock market information on a near real-time basis over the Internet. To manage the data, AMS developed an automated system capable of accepting thousands of pieces of market information from the livestock industry and that would generate market news reports in as little as one hour after receipt of the data. Beginning with the first day of the program, packers have been successful in submitting data to AMS via the secure Internet connection. Over 130 different packing plants report transaction data by lot, several times a day. The system is handling over 90 percent of the volume reported as slaughtered daily, which equates to 110,000 cattle, 330,000 swine, and 15,000 lambs. On August 20, 2001, revised confidentiality guidelines were implemented in order to increase the number of reports available, while still protecting the identity of market participants. Implementation of the revised confidentiality guidelines last August has allowed AMS to provide more complete information and also increase the number of reports available while protecting the identity of market participants.

The Pesticide Data Program (PDP) has been instrumental in providing data that addresses domestic and international public concerns about the effects of agricultural pesticides on human health and environmental quality. The program provides unbiased, statistically valid data on pesticide residues in food and water. The information PDP provides to the Environmental Protection Agency--EPA--is vital for conducting realistic assessments of dietary risk from pesticides on food commodities available in the marketplace. These realistic risk assessments will assure that U.S. agriculture has the necessary inputs for being competitive. In addition, PDP data supports the international marketing of U.S. commodities by assuring foreign governments and buyers that U.S. agricultural commodities are safe for consumption. Newly released data collected in 2000 indicates that only 0.2 percent of the samples exceeded the established tolerance level, of which over one third resulted from post harvest applications.

AMS' 2003 BUDGET REQUEST

For 2003, AMS requests $105 million from appropriated and Section 32; a total increase of $4.3 million. The 2003 budget includes the following programmatic changes for AMS:

For Global Market News, AMS requests an increase of $1 million. The agricultural infrastructure will be improved by expanding global marketing activities for American producers by increasing international market news reporting for grains and feeds, oilseeds, livestock, poultry, dairy, and horticultural markets in Central America, South

America, and Asia. Increasing the availability of accurate, timely, and unbiased international market information is critical if American producers are to be competitive in a global economy.

For the Pesticide Data Program, AMS requests an increase of $0.5 million. Funding will be provided to States participating in the program to offset increased operational costs and to complete international accreditation for their laboratories. Increased testing will be conducted on foods generally consumed by children and other commodities with significant dietary consumption.

For the Organic Certification Program, AMS proposes a decrease of $0.6 million. This reduction recognizes that initial accreditation of organic certification agents was provided during FY 2002 and that future Federal accreditation of organic certification agents will be user-funded.

For the Federal Seed Act Program, AMS requests an increase of $1.1 million. The funds will be used to upgrade computer systems used to identify and track seed samples as they progress through the testing process, improve seed testing equipment, and increase the number of scientific staff. This increased funding will also allow laboratory upgrades that are necessary to meet international seed accreditation requirements. Improved productivity will permit AMS to provide increased protection to seed buyers in States that have reduced or eliminated seed testing programs.

For the Commodity Purchase Program, the budget includes an increase of $0.3 million to improve AMS' ability to verify that the purchased commodities are all domestically produced.

For Marketing Agreements and Orders, the budget includes an increase of $0.6 million to permit AMS to hire additional marketing specialists that are necessary to ensure prompt response to industry requests for new marketing order amendments and provide effective oversight.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

The fundamental mission of APHIS is to anticipate and respond to issues involving animal and plant health, conflicts with wildlife, environmental stewardship, and animal well-being. Together with their customers and stakeholders, APHIS promotes the health of animal and plant resources to facilitate their movement in the global marketplace and to ensure abundant agricultural products and services for U.S. customers. The APHIS mission satisfies 5 strategic goals. They include:

(1) safeguarding plant and animal resources from foreign pests and diseases;

(2) minimizing production losses and export market disruptions by quickly detecting and responding to outbreaks of agricultural pests and diseases;

(3) minimizing risks to agricultural production, natural resources, and human health and safety by effectively managing pests and diseases and wildlife damages;

(4) ensuring the humane care and treatment of animals; and

(5) developing safe and effective scientific pest and disease control methods.

APHIS builds broader bridges by working in concert with its stakeholders – States, industry, and the public to maintain and expand export market opportunities and to prevent the introduction and/or to respond to new threats of plant and animal pests and diseases. APHIS invests in the agricultural marketing infrastructure that helps protect the agricultural sector from pests and diseases while at the same time helping move more U.S. product.

Safeguarding Animals and Plants

Recent events have highlighted the need to protect the security of our agricultural production sector and food supply. However, well before the events of September 11, and long before foot-and-mouth disease (FMD) crippled the British agricultural sector, APHIS has been engaged in activities that include monitoring and surveillance for foreign animal disease (FAD) threats beyond our borders, enhanced inspection for animal and plant health threats at our borders, and surveillance within our borders to quickly detect and respond to an animal or plant pest or disease outbreak. Our actions, together with those of stakeholders and the American public, have successfully protected the health of the U.S. livestock and poultry industries against devastating diseases such as FMD and bovine spongiform encephalopathy (BSE, or "Mad Cow" disease) in FY 2001.

The Agricultural Quarantine Inspection (AQI) program has inspectors assigned to ports of entry and land borders to scrutinize passengers and cargo to prevent pest and disease introduction into the United States. In 2001 AQI inspectors processed 92.5 million international air, maritime, and land border passengers/pedestrians at over 300 ports of entry. This is an increase of 4.5 percent over FY 2000. While about 95 percent of international travelers and 96 percent of border vehicles were in compliance with AQI regulations, APHIS seized more than 310,000 prohibited animal products and byproducts. We enhanced the APHIS Smuggling Interdiction and Trade Compliance program by hiring additional officers and investigators. Most of this activity is funded through user fees, though appropriations from the General Fund are needed to pay for inspections along the Canadian and Mexican borders and in Hawaii and Puerto Rico.

The sterile Mediterranean fruit fly (Medfly) preventive release program in California and Florida shields our fruit growers. APHIS works with State and Federal agriculture officials to prevent and respond to Medfly outbreaks. In California, APHIS is cooperating in strong statewide detection efforts that identified several harmful fruit flies entering the United States at California ports. In Florida, our goal is to detect new introductions quickly enough to begin mitigation measures before the flies can get established. Overseas activities are intended to create a sustainable barrier south of our border. Our program also keeps our multi-billion dollar citrus export markets open. If the Medfly would become established on American soil, U.S. producers could lose an estimated $5 billion annually.

The APHIS screwworm program is another example of the safeguarding system in place to exclude plant and animal pests and diseases. The program provides a land barrier between North America and South America. In FY 2001, APHIS continued keeping screwworms out of the United States and further reduced the likelihood that they will ever return. The eradication program is close to achieving its goal of establishing a permanent sterile screwworm barrier in the eastern third of Panama.

Moving More Product

The APHIS import/export inspection program protects U.S. livestock, poultry, and wildlife populations from restricted diseases, including those transmissible to humans. APHIS regulates animal and animal product imports and promotes the American export of these products by ensuring U.S. animals and animal products meet health and welfare requirements of recipient countries. This program also participates in negotiations on trade of animals and animal products that face potential sanitary restrictions. In FY 2001 APHIS issued point of origin export certificates for the export of approximately 752,000 head of livestock, 60 million doses of semen, and more than 15,000 bovine embryos. It also supervised the importation of approximately 8 million animals, 11 million poultry, 2.5 million doses of semen, and 1,220 embryos.

The Trade Issues Resolution and Management efforts are key to ensuring fair trade of all agricultural products. APHIS staff help resolve trade issues abroad which enhance American commerce. In FY 2001, APHIS helped:

- Reopen the Brazilian market to U.S. wheat, what had been a $176 million U.S. market before Brazil halted imports in 1996.
- Open the Argentine market to Florida citrus and expanded access for California citrus and stone fruit; market potential could be as high as $3 million for U.S. citrus and $5 million for U.S. stone fruit.
- Open the Chilean market to more than $1 million in apple and pear exports from Oregon and Idaho, and an even greater value of citrus sales from Arizona. And,
- Gain access to the Japanese market for U.S. Chilean cherries, which could yield about $10 million in export sales.

Further, the International Plant Protection Convention adopted a standard advocated by APHIS which will ensure that U.S. exports are not unfairly discriminated against for pests that are of not of quarantine significance to the importing country. APHIS staff negotiate sanitary and phytosanitary (SPS) standards, resolve SPS issues, and provide clarity on regulating imports and certifying exports which improves the infrastructure for a smoothly functioning market in international trade.

Monitoring Agricultural Pests and Diseases

A key part of the APHIS strategy to protect U.S. agriculture is its ability to quickly detect outbreaks of foreign agricultural pests and diseases. APHIS accomplishes its monitoring functions in a cooperative effort with Federal and State governments and

industry. Specifically, the monitoring program has four components: surveillance, regulatory enforcement, emergency management, and pest detection.

Surveillance investigations are accomplished through the APHIS National Animal Health Monitoring System (NAHMS). In FY 2001, APHIS conducted about 800 investigations compared to FY 2000's total of 385 because of increasing concern over the FMD outbreaks in Europe. APHIS also is on the lookout for an outbreak of BSE. To date, no cases of BSE have ever been detected in the United States. However, in March 2001, APHIS disposed of the two remaining herds of Belgian sheep in Vermont suspected of having a transmissible spongiform encephalopathy (TSE).

In November 2001, USDA released results of a Harvard University risk assessment that showed that the risk of BSE occurring in the United States is extremely low. The report showed that early protection systems put into place by USDA and the Department of Health and Human Services have been largely responsible for keeping BSE out of the United States and would prevent it from spreading if it ever did enter the country. However, we continue to be aggressive in protecting the American consumer and the livestock industry from this disease. We are already planning to more than double the number of cattle samples tested in FY 2002 compared to FY 2001.
Concerns over the threat of bioterrorism have further demonstrated the need for a comprehensive national detection system for safeguarding the country's food production capacity and natural ecosystems. The Homeland Security Supplemental appropriation will enable APHIS to jump start proposed activities in the FY 2003 budget.

APHIS will coordinate and oversee early detection surveys in cooperation with the States. APHIS and the States conduct detection surveys for incipient infestations of exotic pests that could cause economic damage if they spread and become established, such as weeds, plant diseases, insects, nematodes, and other invertebrate organisms. Such activities not only act to protect U.S. agriculture, but support U.S. exports as well. For example, surveillance for the Khapra beetle verifies that the United States is free of this pest, one of the world's worst pests of grain/commodities, and thus able to maintain billions of export dollars.

The APHIS emergency management system is a joint Federal-State-industry effort to improve our ability to deal successfully with animal health emergencies, whether natural or unintentional introductions or deliberate acts of bioterrorism. During FY 2001, APHIS began an emergency management grant program to assist States and Tribal Nations to improve their animal health emergency management systems. About $2 million was provided to 31 States, 6 Tribal Nations, and 1 university.

Controlling Losses from Pests and Diseases

Pest and disease control techniques are employed by APHIS to minimize plant and animal losses, and wildlife damage. APHIS collaborates with States to help manage or eradicate pests and diseases harmful to American agriculture. The Agency regulates various shipments of plants, livestock, and related products to prevent the spread of diseases. For example, APHIS has such efforts as the cooperative boll weevil program, the cooperative brucellosis program, the Asian long-horned beetle eradication program,

the Accelerated Psuedorabies Program, the Bovine Tuberculosis program, and the scrapie eradication program. In FY 2001, the Department released $336 million of funding from the Commodity Credit Corporation to address pest and disease emergencies for Asian long-horned beetle, chronic wasting disease, citrus canker, Karnal bunt, Medflies, plum pox, pseudorabies, rabies, and tuberculosis. Also included are funds made available for purchase and disposal of imported sheep potentially infected with a TSE.

Another component of APHIS pest management is found in Wildlife Services operations. American wildlife is an active trans-boundary resource, which in some situations poses a risk to human health and safety, as well as natural resources. APHIS, in partnership with the U.S. Fish and Wildlife Service and industry representatives, manages the increase in wolf activity due to reintroduction initiatives throughout the United States. APHIS also protects the sunflower industry from blackbird predation in the Dakotas, by reducing cattail densities as habitat for migrating blackbirds. The Agency also assists in rabies mitigation in racoons, which continues to spread north throughout the eastern seaboard. In FY 2001, APHIS conducted livestock protection activities for approximately 10,000 resource owners in cooperation with private individuals and State, Federal, and local governments. APHIS personnel also provide wildlife hazard management assistance to almost 400 airports to help minimize wildlife strikes, which can be a threat to human safety.

Animal Care

APHIS ensures the humane care and treatment of animals by enforcing uniform compliance with Federal laws and regulations. It performs this function through sound enforcement and strong educational outreach efforts to all regulated entities. The Agency uses risk assessments to target inspection resources at the facilities where animal welfare concerns are the greatest. In FY 2001, APHIS, hired an additional 9 animal care inspectors and boosted inspection by almost 10 percent from FY 2000.

Scientific and Technical Services

APHIS must also develop safe and effective scientific pest and disease control methods and methods for reducing wildlife/agricultural conflicts.

APHIS regulates the movement and releases of biotechnology products to ensure that they do not pose a threat to agriculture and the environment. In FY 2001, APHIS provided 2,600 movement and release notifications and permits; up from 2,200 provided in FY 2000. Since the program's inception in 1987, APHIS has deregulated 54 genetically engineered crop varieties, with one new crop deregulated in FY 2001.

The APHIS veterinary biologics program prevents the importation, production, and distribution of impure, ineffective, unsafe, or impotent veterinary biological products in the United States. This activity includes licensing, inspection, testing statistically-based samples, and issuing permits for product importation. In FY 2001, APHIS issued 113 new product licenses, so that veterinarians can now diagnose, treat, and prevent animal

diseases with 26 new market products. Animal drug producers requested approval to market over 17,000 veterinary biological products in FY 2001. APHIS did not act on 27 requests because producers failed to meet these requirements.

The APHIS National Veterinary Services Laboratories (NVSL) in Ames, Iowa, tested tens of thousands of submissions in FY 2001 on import/export samples, dip samples for pesticide concentration in the cattle tick program, pseudorabies, scrapie, brucellosis, tuberculosis, and BSE samples. In the recent anthrax attacks, APHIS processed environmental samples from USDA offices across the United States.

The Wildlife Services Methods Development program addresses the research needs to reduce bird damage to the agriculture, aquaculture, and aviation industries; mammal damage to the timber industry and to rangeland; coyote damage to the livestock industry; and predation of threatened and endangered species. The National Wildlife Research Center develops traditional, nonlethal methods such as improved traps and snares, maintenance of registered uses for particular chemical pesticides, repellants and attractants, as well as novel approaches such as reproduction inhibitors/immunocontraceptives.

APHIS' 2003 Budget Request

The budget request proposes $782 million for salaries and expenses, a $120 million increase above the current FY 2002 adjusted base. Notable requests include:

An increase of $14 million for Agricultural Quarantine Inspection (AQI). The AQI program is the Nation's front-line defense against the introduction of dangerous agricultural pests and diseases from other countries. For example, AQI activities play a key role in protecting the U.S. livestock sector from bovine spongiform encephalopathy (BSE or 'mad cow disease') and foot-and-mouth disease (FMD). User fees are charged for inspection of international passengers, aircraft, ships, railcars, and trucks. The 2003 budget proposes $347 million for AQI activities for improved point-of-entry inspection programs by providing additional inspectors, canine teams and state-of-the art high-definition x-ray machines at high risk ports-of-entry on the Canadian and Mexican borders, in Hawaii, and elsewhere. Expansion of the global economy and free trade have caused an increase in the volume of passengers and cargo arriving in the U.S. at additional ports of entry, with additional facilities at existing ports of entry. APHIS has an 85 percent success rate in clearing international passengers within 30 minutes or less. Likewise, 85 percent of passengers crossing at U.S. land border points, in non-peak traffic periods, are now cleared through the inspection system in 30 minutes or less.

An increase of $5 million for Foreign Pest and Disease Exclusion. This increase will strengthen the capability of APHIS to assess and monitor outbreaks of diseases in foreign countries that have the potential to spread to the United States.

An increase of $49 million for Plant and Animal Health Monitoring. Experience in Europe from FMD and BSE highlights the need for rapid detection and response to

agricultural health threats. While longstanding efforts have kept FMD and BSE out of the United States, vigilant surveillance and monitoring are still needed and would be supported by an increase of about $21 million. Funding for plant pest detection would increase by $20 million. Funding to improve the emergency management system, in place to coordinate and implement a quick response to an animal or plant pest or disease outbreak, would be boosted by about $7 million.

Shifts $162 million of emergency Commodity Credit Corporation (CCC) funding to annual appropriations for pest and disease management programs. These funds will continue control and eradication efforts begun in 2002 and prior years. Funds will be used to combat species such as the Asian long-horned beetle, citrus canker, chronic wasting disease, Medfly, plum pox, rabies, scrapie, and tuberculosis. Successes in boll weevil eradication and brucellosis efforts allow $45 million of program reductions as programs rely on loans and shift toward less expensive monitoring efforts.

For Emergency Funding, the Secretary retains authority to use funds from CCC to combat any new emergency pest and disease outbreaks. Since these emergencies cannot be predicted, no estimates are available at this time. However, the Administration is concerned about rising Federal costs of emergency pest and disease control activities and expects to seek public comment before the end of the year on ways to share the costs with States and the private sector.

An increase of $12 million for Scientific and Technical Services. Resources for expanded diagnostic, response, management and other technical services are increased. This will enhance our ability to quickly diagnose an outbreak of a foreign animal disease.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

GIPSA's mission is to facilitate the marketing of livestock, meat, poultry, cereals, oilseeds, and related agricultural products and to promote fair and competitive trade for the benefit of consumers and American agriculture. It helps move more U.S. product both domestically and abroad by investing in domestic infrastructure that supports marketing within the grain and livestock industry. GIPSA fulfills this through both service and regulatory functions in two programs: the Packers and Stockyards Programs (P&SP) and the Federal grain inspection service (FGIS).

Packers and Stockyards Programs

The strategic goal for the Packers and Stockyards Programs (P&SP) is to promote a fair, open and competitive marketing environment for the livestock, meat, and poultry industries. Currently, with only 166 employees, P&SP monitors the livestock, meatpacking, and poultry industries, estimated by the Department of Commerce in FY 2001 to have an annual wholesale value of $125 billion. Legal specialists and economic, financial, marketing, and weighing experts work together to monitor

emerging technology, evolving industry and market structural changes, and other issues affecting the livestock, meatpacking, and poultry industries that the Agency regulates.

Last year, P&SP conducted over 1,600 investigations. Our Rapid Response Teams remain a powerful tool to address urgent industry issues and to immediately notify the public about a stockyard's or market agency's fiduciary problems. Last year, 94 P&SP investigators were deployed soon after being notified of a crisis to investigate 51 potentially serious situations across the Nation. During FY 2001, these rapid response investigations found violations of the P&S Act, and contributed to returning $6.1 million to livestock producers and poultry growers.

P&SP also is strengthening investigations and assessments of competitive implications of structural change in the livestock, meatpacking, and poultry industries. Throughout FY 2001, P&SP incorporated economic, statistical, and legal expertise into investigations to increase the efficiency and effectiveness of our investigations of anticompetitive and unfair practices, and our enforcement of the P&S Act. Increased cross-utilization of our economists, legal specialists, auditors, marketing specialists, and industrial specialists from headquarters and field locations has brought targeted investigative and analytical skills to specific investigations. P&SP also pursued cooperative agreements with qualified researchers and research institutions that contribute valuable information to P&SP's economic understanding of the livestock, meatpacking, and poultry industries.

The Swine Contract Library was mandated in the Agricultural Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2000 (Public Law 106-78). It amended the P&S Act to require P&SP to establish and maintain a library of contract provisions offered by packers to swine producers for the purchase of swine and to make these provisions available to the public. P&SP received 11 comments on the proposed rule published on September 5, 2000. A final rule to implement the swine contract library is underway, but we are finding that our ability to address confidentiality concerns and unique data requirements may depend on the IT improvements requested in the FY 2003 budget. Once complete, the Web-based library will offer summarized information on contract terms and monthly reports on the number of swine under contract.

The Grain Standards and Warehouse Improvement Act of 2000 (Public Law 106-472) required GIPSA to implement the GAO's recommendations to improve investigations of competitive practices and report on actions taken to improve investigations of competitive practices by November 9, 2001. We recently submitted that report and I apologize for the delay in the response. In accordance with GAO's recommendations, and based on required input from the Department of Justice (DOJ) and the Federal Trade Commission (FTC), in FY 2001, the Agency implemented investigation planning, development, implementation, and review processes to ensure appropriate investigation planning and oversight within P&SP and with the USDA Office of the General Counsel (OGC). Also during the fiscal year, OGC added more attorneys to address P&SP matters; Agency economists and legal specialists received additional

specialized training; and P&SP issued its first annual assessment of the cattle and hog industries to report on changes in those industries. P&SP is currently finalizing its second annual assessment report.

Federal Grain Inspection Service

GIPSA's Federal Grain Inspection Service (FGIS) facilitates the marketing of U.S. grain and related commodities under the authority of the U.S. Grain Standards Act (USGSA) and the Agricultural Marketing Act of 1946 (AMA). As an impartial, third-party in the market, we advance the orderly and efficient marketing and effective distribution of U.S. grain and other assigned commodities from the Nation's farms to domestic and international buyers. We are part of the infrastructure that undergirds the agricultural sector.

Since the emergence of value-enhanced grains and oilseeds, niche markets have been developing for non-biotech commodities, and establishment of new regulatory requirements by U.S. trading partners has created a need for greater product differentiation in the marketplace. To meet this need, market participants are relying, in part, on testing for accurate information about products in the marketing chain and to comply with the new market demands. The efficiency of the marketing system will, therefore, depend on the availability of accurate and reliable testing which FGIS is prepared to supply.

In the international arena, FGIS has been working to maintain strong markets for U.S. grains and oilseeds. Working with the Foreign Agricultural Service and the Japanese government, FGIS developed a Protocol for Food Corn Exported to Japan. This protocol, which was adopted by the grain industry, enabled the United States to continue exporting corn to Japan by providing assurance that exported corn did not contain significant levels of StarLink™ corn. This protocol has been considered a model for other countries to which the U.S. exports corn.

FGIS also is keeping pace with the grain industry's move from paper to e-commerce to streamline, automate, and improve business transactions. FGIS is keeping pace with our customers' migration toward an electronic marketing process. We are taking part in pilot tests and demonstrations with electronic commerce vendors; developing a system to send inspection information generated at multiple locations directly to a customer; preparing to submit electronic inspection information into a vendor's document handling system at the request of applicants; and pilot testing a computer generated inspection certificate for export cargoes. By harnessing the latest hardware, software, and available technology, we will be prepared to enter and participate in the electronic commerce arena.

All of our efforts to improve and streamline our programs and services are paying off for our customers, both in terms of their bottom lines and in greater customer satisfaction. FGIS' service delivery costs (adjusted for inflation), decreased from $0.27 per metric ton in fiscal year 1994 to $0.26 per metric ton in fiscal year 2001. With the USDA

export certificates that grain exporters received at this cost, exporters marketed over $20 billion worth of cereals and oilseeds. Likewise, here at home, buyers and handlers requested over 1.9 million domestic inspections that facilitated the trading of more than 128 million metric tons of cereals and oilseeds.

One indicator of the success of our outreach and educational initiatives is the number of foreign complaints lodged with FGIS regarding the quality or quantity of U.S. grain exports. In FY 2001, FGIS received only 15 quality complaints and no quantity complaints from importers on grains inspected under the U.S. Grain Standards Act. These involved 494,267 metric tons, or about 0.5 percent by weight, of the total amount of grain exported during the year.

GIPSA's 2003 Budget Request

For 2003, the budget proposes a program level for salaries and expenses of $43 million. Of this amount, $20 million is devoted to grain inspection activities for standardization, compliance, and methods development and $23 million is for Packers and Stockyards Programs. The 2003 budget includes:

An increase of $3.4 million to provide enhanced information technology applications. With the requested funding, GIPSA would be able to establish and implement e-Government electronic interfaces to allow secure receipt and delivery of electronic data between the agency and its customers. Further, it will enable GIPSA to integrate existing disparate database information systems into a unified system.

An increase of $2 million to help ensure efficient market functioning. Carcass weight and quality are major determinants of price. Carcass quality characteristics, often measured electronically, are an increasingly important determinant of carcass value. A portion of the requested increase will allow GIPSA to monitor the livestock and meatpacking industries' use of electronic carcass evaluation technologies. Another portion of the budget increase will enable GIPSA to significantly improve enforcement of the anti-competitive and other provisions of the Packers and Stockyards Act. And,

An increase of $0.5 million is requested to enable GIPSA to expand its newly established biotechnology program to keep pace with the rapid introduction of new products and the need for commodity certification.

The GIPSA budget also includes two user fee proposals. New user fees would be charged to recover the costs of developing, reviewing, and maintaining official U.S. grain standards used by the grain industry. Those who receive, ship, store, or process grain would be charged fees estimated to total $5.6 million to cover these costs. Also, the Packers and Stockyards program would be funded by new license fees of $23.3 million that would be required of packers, live poultry dealers, stockyard owners, market agencies and dealers, as defined under the Packers and Stockyards Act.

Conclusion

This concludes my statement. I am looking forward to working with the Committee on the 2003 budget for the Marketing and Regulatory Programs. We believe the proposed funding amounts and sources of funding are vital to providing the infrastructure to protect American agriculture from pests and diseases and for moving more product, especially for increasing exports to foreign markets. It will provide the level of service expected by our customers -- the farmers and ranchers, the agricultural marketing industry, and consumers. We are happy to answer any questions.

Biographical Sketch

William T. "Bill" Hawks
Under Secretary, Marketing and Regulatory Programs

William T. Hawks was sworn in as the under secretary for marketing and regulatory programs by Agriculture Secretary Ann M. Veneman on May 24, 2001.

He graduated from Mississippi State University in 1968 with a bachelors of science degree in agricultural economics. He then went on to obtain his masters degree from Mississippi State in agricultural economics in 1970.

A farmer since 1970, Hawks is currently the managing partner of Hawks Farming, which farms approximately 7,700 acres of land in three counties in northern Mississippi. This operation consists of 5,200 acres of soybeans, 3,000 acres of double-cropped winter wheat, and 2,500 acres of corn.

The Hawks family also owns DeSoto East, Incorporated, a residential development company.

In December of 1994, Hawks was elected to the Mississippi State Senate, representing his native DeSoto County. During his five years as a state senator, he was a leader on the committees with jurisdiction over agriculture and the environment.

During the early 1990s, the Hawks owned and managed Northwest Mississippi Flying Service, Incorporated, an agricultural aerial application service, and also owned and operated a recreational airport.

In the late 1980s, Hawks was a part owner in a professional farm management company, Sunbelt Land and Timber Company, Incorporated.

Hawks started farming after finishing graduate school by owning and operating a dairy in DeSoto County. In the early 1970's, he began to lease acreage from neighbors to get started in a row crop operation, often doing custom work for others. Over the years, this has evolved into the multi-faceted operation in place today.

Throughout his career, he has been very active in many agricultural boards and committees such as American Farm Bureau Federation, American Soybean Association, and many active state and local organizations.

From 1968 to 1970, Hawks served in the Army Reserve. Then from 1970 to 1972, he served in the Army National Guard. Following that, Mr. Hawks served in the Air National Guard from 1972 until 1980.

Hawks was born on November 22, 1944 near Oxford, Mississippi.

Biographical Sketch
James G. Butler
Deputy Under Secretary, Marketing and Regulatory Programs

Dr. James G. Butler accepted the position of deputy under secretary for marketing and regulatory programs on September 18, 2001.

He graduated from Texas A&M University in 1973 with a bachelors of science degree in animal science. In 1975, Butler obtained his masters degree in animal science from New Mexico State University and his doctorate degree in animal physiology in 1979 from the University of Arizona.

Since 1965, Butler has served as -partner/owner of Butler and Son Charolais Ranch, a purebred Charolais cattle operation in Brazos County, Texas. The ranch has been recognized regionally and nationally for environmental stewardship. On this family cattle ranch, Butler has developed a comprehensive forage program which served as a model demonstration site for area producers. Through a comprehensive forage program, the ranching operation produces more quality forage for cattle and for the ranch's wildlife; protects the soil from erosion and enhances its fertility; and decreases the level of water loss due to rain runoff.

Since 1990, Butler worked for the Texas A&M University System in several positions. Most recently, he was the Deputy Vice Chancellor for Agriculture and Life Sciences.

Prior to that, he served as the Associate and Assistant Vice Chancellor for External Affairs for the University.

Before joining Texas A&M, Butler was the Executive Vice President of the National Wool Growers Association. From 1985 through 1987, he worked with sheep producers and the sheep industry as an Extension Sheep Specialist with Colorado State University.

From the late 1970's through 1985, Butler gained extensive cattle and sheep ranching, sheep feeding, and wool warehouse management experience while living in Roswell, New Mexico.

Butler has been active in local, regional, and national agriculture organizations throughout his career including the New Mexico Wool Growers, Texas Farm Bureau, Texas and Southwestern Cattle Raisers, and the American International Charolais Association.

Butler is married to the former Allyson Goodman of Roswell, New Mexico. The couple has two children, Courtney and Justin, who are both currently enrolled at Texas A&M University.

Mr. BONILLA. Thank you, Mr. Hawks. We do appreciate the photo you sent us of the beagle. It adds a lot to the room, and we appreciate that.

Mr. Yates, did you have some opening comments?

AGRICULTURAL MARKETING SERVICE OPENING STATEMENT

Mr. YATES. Yes. Thank you.

It is a pleasure to be here, and I certainly agree with Congresswoman Kaptur in the opening statement that she made about the importance of the Agriculture Marketing Service to agriculture.

I am a farmer from California and I had the opportunity of working in the California Department of Agriculture for 9 years. I know that the programs that AMS provides to agriculture are critically important in helping them move their products into not only the national marketplace, but also the international marketplace.

We do that in a variety of ways, and naturally price reporting, whether it be on livestock or in a market, on fruits and vegetables and other commodities, is of critical importance in the ability of farmers to move their product on a timely basis.

In those, we have our research and promotion programs which are very important for the producers to be able to promote their product to consumers, both in the United States and internationally, as well as marketing orders which help our growers develop standards where the consumer knows what they are buying when they buy it from long distances.

We also provide a service of Section 32 in helping farmers with surplus commodities, at the same time providing very nutritious food for our schoolchildren, as well as needy people throughout the United States.

Farmers markets and direct marketing are critically important to our small farmers, who represent 90 percent of the farmers in the United States. We work closely with them. I had experience for 9 years working with farmers markets in California, and I know what they do for agriculture.

We also provide a service of pesticide detection programs, which helps not only protect the food supply, but it also gives us the ability to register the tools that we need to produce a nutritious and healthy product.

I appreciate the opportunity of being here today, and I would be more than willing to answer any questions you might have.

[The statement of Mr. Yates follows:]

AGRICULTURAL MARKETING SERVICE

Statement of
A.J. Yates, Administrator
before the
House Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies

Mr. Chairman and Members of the Committee, I am pleased to have this opportunity to represent the Agricultural Marketing Service in presenting our fiscal year 2003 budget proposal.

MISSION

AMS activities are an integral component of USDA-wide efforts to assist the U.S. agricultural industry in marketing their products and in finding ways to improve their profitability. AMS' mission is to facilitate the marketing of agricultural products in the domestic and international marketplace, ensure fair trading practices, and promote a competitive and efficient marketplace to the benefit of producers, traders, and consumers of U.S. food and fiber products. We accomplish this mission through a variety of activities funded from appropriations and from fees charged for services.

We are responsive to our customers' changing needs. The nature of our services such as market reporting and grading enables us to maintain close contact with our customers. To improve our service, AMS is actively pursuing new ways to provide public electronic access. We encourage the public to electronically comment on rulemaking. We offer online market news reports, application for services, filing for

protection under the Perishable Agricultural Commodities Act, and bidding on Federal commodity purchases.

Furthermore, since most of our user-funded services are voluntary, we must always remain conscious of cost while being responsive to customer needs. To carry out our mission, AMS maintains strong cooperative partnerships with State programs and other Federal agencies. Our Market News, Shell Egg Surveillance, Pesticide Data, Microbiological Data, Pesticide Recordkeeping, and Federal Seed programs depend on support from their State partners to collect and disseminate information, provide inspections, and otherwise improve the efficiency of both State and Federal programs by sharing human and capital resources.

Before I discuss our proposed increases for fiscal year 2003 in more detail, I would like to briefly describe some of the marketing issues facing U.S. farmers and a few of AMS' significant accomplishments during fiscal year 2001, and plans for 2002.

GLOBAL AGRICULTURAL MARKETING

U.S. agriculture is facing continual and rapid changes in the industry, Federal and State regulations, financial assistance, domestic and international consumer preferences, and an ever-expanding dependence on export markets. AMS support of international market opportunities for U.S. agricultural products will yield enormous dividends for the farm economy, national and world economies. High production levels for many U.S. agricultural commodities make it necessary for U.S. producers to increase their global market share and develop sustainable export sales. America's consumers also benefit from a consistent year-round source of agricultural products from our trading partners.

AMS has been modifying Agency activities to include international as well as domestic markets so that our programs more fully serve the needs of U.S. agriculture. For example, our Transportation Services and Pesticide Data Programs provide information that facilitates agricultural commodity exports, AMS grading programs offer certification to export specifications, and AMS laboratory testing programs allow foreign buyers and government requirements to be met.

In 2002, the Agency received funding for a new Global Market Expansion activity that delivers additional support to agricultural producers, growers, and exporters in the international marketing of U.S. food and fiber products. This activity allows the Agency to provide its technical expertise in a variety of international forums where international trading standards are being developed. By working with international organizations, AMS is able to affect the design of food quality standards and model inspection protocols so that they are fair to U.S. shippers and they do not become non-tariff barriers to U.S. agricultural trade. In addition to serving as a language of commerce, trade standards help resolve commodity trade disputes with foreign governments and buyers. U.S. Cotton standards, for example, are universally used and accepted by the cotton industry and are used in settling international trading disputes. In addition, all international seed shipments exported to Europe must be certified using Organization of Economic Cooperation and Development specifications, or OECD Seed Schemes. As the U.S. Accreditation Authority to the International Seed Testing Association, AMS works to develop rules for sampling and testing of seed in international trade and for accrediting seed testing laboratories. Recently, AMS developed U.S. Trade Description Standards for Poultry and is working with the United

Nations Economic Commission for Europe to have these U.S. standards adopted as the international standard. The U.S. standards were designed to facilitate and enhance wholesale trading of poultry products in both domestic and international markets. Agency experts are now working with the turkey industry to develop similar U.S. Trade Descriptions.

PESTICIDE DATA PROGRAM

Our Pesticide Data Program, or PDP, provides information of a different sort, but still ultimately benefits growers and facilitates marketing. PDP has been instrumental in providing data that addresses domestic and international public concerns about the effects of agricultural pesticides on human health and environmental quality. The program provides unbiased, statistically valid data on pesticide residues in food and water. The information PDP provides to the Environmental Protection Agency--EPA--is vital for conducting realistic assessments of dietary risk from pesticides on food commodities available in the marketplace. In addition, PDP data supports the international marketing of U.S. commodities by assuring foreign governments and buyers that U.S. agricultural commodities are safe for consumption.

The program is built on a Federal-State partnership with 10 States -- California, Colorado, Florida, Maryland, Michigan, New York, Ohio, Texas, Washington and Wisconsin. These States collect and test commodities for pesticide residues. PDP laboratory procedures are designed to detect, verify, and report low-level pesticide concentrations using uniform laboratory procedures and an effective quality assurance program based on EPA Good Laboratory Practices.

Over the past 10 years, the program has tested 51 commodities. The results from PDP testing provide comparative pesticide residue data between fresh versus processed commodities, and an in-depth comparison for selected domestic versus imported commodities.

Newly released data collected in 2000 is based on a total of 10,907 samples of fruit and vegetables, rice, peanut butter, and poultry. Approximately 80 percent of the tested samples were domestically produced, 19 percent were imported, and 1 percent were of unknown origin. Pesticide residues only exceeded the established tolerance level in two-tenths of one percent of the samples. While residues were detected on 67 percent of the fruit and vegetable, 33 percent of the rice, 26 percent of the peanut butter, and 3 percent of the poultry samples tested during 2000, they were significantly below tolerance levels. Post-harvest applications accounted for over one-third of the detected residues in fresh and processed fruit and vegetables. EPA has used PDP data in the re-registration of 43 pesticides -- data based on actual residue levels. Without PDP data, EPA previously used worst case assumptions that farmers applied pesticides at the maximum approved levels. In addition, the data are used in determinations regarding Section 18 Quarantine Exemptions and pre- and post-harvest use registrations. The information has also been used to examine pesticide residue issues relating to good agricultural and integrated pest management practices.

In March 2001 we began testing finished drinking water samples at 11 sites in the States of California and New York. We selected these sampling sites as a good representation of a variety of population segments including major urban areas, hydro-geographic regions and land uses. In January 2002, the program expanded water

sampling and testing to include five sites in Colorado, Kansas and Texas, to provide monitoring data for areas not covered by EPA drinking water models.

NATIONAL ORGANIC PROGRAM

AMS' National Organic Certification program will facilitate trading of organic products by verifying for buyers and consumers, across the U.S. and internationally, that organic food labeling is accurate and consistent. The program has established national standards for organic production and handling, and is now accrediting certification agents who will conduct annual on-site inspections to verify that organic products meet these standards. The program's 18-month implementation period began April 21, 2001, and ends October 21, 2002, when the official USDA organic seal will be permitted for use on certified organic fresh and processed products. With a few years of operation, the program is expected to oversee the certification of approximately 14,000 organic producers and handlers.

The Agricultural Risk Protection Act of 2000 provided funding intended to defray some of the certification costs for organic producers. AMS will distribute certification cost-share funding through agreements with the 15 States targeted for the program. The States will distribute the funds to organic producers who request reimbursement and whose production operations are inspected and certified between December 2000 and October 2002 by an approved certification agent. All of the payments will be completed by November 2002.

MANDATORY PRICE REPORTING SYSTEM

AMS' Livestock Mandatory Price Reporting addresses concerns about market concentration in the livestock industry and resulting price discovery problems in the

marketplace. On April 2, 2001, AMS implemented the Livestock Mandatory Price Reporting, or LMPR, System to meet the requirements of the Livestock Mandatory Reporting Act. The Act required USDA to develop a program to provide information on the marketing of cattle, swine, lamb, boxed beef, lamb carcasses, and boxed lamb. This is the first regulation that requires the industry to electronically report proprietary information on daily market transactions.

LMPR is an ambitious effort to provide livestock market information on a near real-time basis over the Internet. To manage the data, AMS developed an automated system capable of processing thousands of pieces of market information from the livestock industry and generating market news reports in as little as one hour after receipt of the data. Beginning with the first day of the program, packers have been successful in submitting data to AMS via the secure Internet connection. Over 130 different packing plants report transaction data by lot, several times a day. The system is handling over 90 percent of the volume reported as slaughtered daily, which equates to 110,000 cattle, 330,000 swine, and 15,000 lambs. In addition, transaction data includes specifics for various aspects of the lot such as weight and carcass characteristics. Of the 94 reports developed for mandatory reporting, 83 are now being released. The system is designed to protect the confidentiality of packers. No data have been released that compromise the identity of source packers.

ELECTRONIC GOVERMENT INITIATIVES

To make our services more accessible to our customers, AMS is moving aggressively to implement several electronic government, or e-government, initiatives. With the assistance of outside experts, AMS developed a master technology business

plan to guide the Agency in an intelligent integration of e-government technology. Guided by this plan, we will establish a business process management system that accepts electronic information from the public over the Internet and routes each electronic submission to the appropriate office for response. Working in conjunction with other USDA agencies, AMS will pilot the use of an Internet web portal to deliver customized access to market news reports for public use. We will also add a corporate portal for AMS decision-makers to allow them to efficiently search and retrieve information across the Agency. Additionally, our new web content management system will enable employees to easily move content to the web and ensure that the web content is current, consistently presented, and auditable.

We plan to harden security around our information technology assets. We redesigned the security architecture of the AMS Internet web site to deny potentially damaging scans and intrusions from unauthorized public sources. This redesign will expand protections provided by the existing AMS security program, and furnish our employees with the necessary web-based security awareness training.

AMS is also providing electronic marketing assistance to the agricultural industry. We are partnering with the meat and poultry industry to establish an industry-based, non-profit electronic business standards forum. The standards produced by this forum will be used to facilitate the rapid industry-wide adoption of Internet-based systems for electronically trading meat and poultry products. AMS' support will ensure broad industry participation and the development and use of fair standards.

In 2001 AMS revised existing Agency web pages to comply with the Rehabilitation Act of 1973. Also, we can now post rulemaking actions on the AMS web

site using a consistent format, accept e-mail comments from the public, or provide the public with on-line web forms to capture their comments. When appropriate, we can post the comments we receive on our web site to facilitate public review and to encourage public participation.

PROTECTION OF AGRICULTURE AND THE FOOD SUPPLY

While we are not requesting additional funding in 2003 for protection of agriculture and the food supply, AMS is doing its part in the Department's efforts to guard against potential threats. In addition to improved cyber-security, AMS has developed strategies to upgrade the security of agency operations and facilities to ensure the continuation of our services to the agricultural industry. We are strengthening physical security at laboratory facilities to improve protection for Agency employees and the public. Security measures include entry control, surveillance and emergency power systems. To ensure continuity of service, AMS established emergency alternate headquarters locations.

BUDGET PROPOSAL

In 2003 we propose to capitalize on the Agency's marketing expertise and further assist U.S. agricultural producers and traders by expanding our Global Market Expansion program to make more international market information available. We are also requesting funds to improve the infrastructure of our Federal Seed and Pesticide Data programs. These improvements will ensure that the programs can deliver the services and information they were established to provide.

For fiscal year 2003 we are requesting program increases of $2.6 million in Marketing Services for the Global Market Expansion, Federal Seed, and the Pesticide

Data programs. These increases are partially offset by a decrease in one-time Organic Certification funds. We are also requesting an increase of $1.3 million from permanent appropriations for Section 32 administrative funding.

GLOBAL MARKET EXPANSION

We are requesting an additional $1 million for Global Market Expansion. To remain competitive in export markets, producers must have access to a centralized, consistent, public source of timely information on international prices and trade volume. This is especially critical to the growth and economic stability of smaller and medium-sized enterprises. The U.S. dairy industry, for example, is looking for timely market information on Asia and certain Latin American countries, most notably on high value products such as specialty cheeses, ice cream and frozen desserts. The U.S. poultry industry is seeking to expand its market opportunities beyond Asia and Mexico. AMS' Market News system will provide the information they need by significantly increasing the international trading volume and price information we gather, analyze and report.

The pending Free Trade Area of the Americas agreement will open significant markets in Central and South America to U.S. trade, and AMS will be ideally situated to provide timely market information from across the Americas to the benefit of U.S. interests. A major part of the AMS proposal to expand international market reporting is focused on the development of stronger relationships with market information agencies in key competitor countries. AMS has established a strategic alignment with the Market Information Organization of the Americas network, whose primary goal is facilitating the consistent exchange of current market information between the countries of the Americas.

Market reporters based in Washington, D.C., will develop new reports, expand the information provided in current reports to meet industry requests, and offer increased technical assistance programs.

FEDERAL SEED

We are requesting an increase of $1.1 million for the Federal Seed program so that we can implement basic infrastructure improvements that will allow AMS to continue to support and protect market competitiveness in the seed industry and for all U.S. producers. The program is also vital to international sales of U.S. seed.

The International Seed Testing Association cited specific critical deficiencies in its recent program accreditation audit of the AMS seed laboratory. If we fail to address these deficiencies, we risk losing our international accreditation and consequently our ability to facilitate international seed sales. The Association's specific recommendations include the replacement of outdated seed testing equipment with newer, more reliable and more efficient models. The laboratory equipment currently used for testing seed samples to verify germination is over 20 years old and constantly in need of repair.

To effectively protect seed buyers from mislabeled seed, AMS' Federal Seed program must also upgrade its computer equipment and database, and increase staffing to expand seed inspection. The program's database, developed in the 1980's, is desperately in need of an upgrade. AMS uses its seed database to identify and track seed samples through the testing process, generate test reports, track Federal Seed Act investigations, and generate investigative reports.

To adequately protect buyers of seed shipped from States without inspection programs, AMS must increase its staff of seed specialists and botanists to collect and test

seed from States without inspection programs. Budget reductions in many States have virtually eliminated their State seed inspection programs. Currently, an estimated 15 percent of the seed sold in states without active seed control programs is mislabeled. The higher level of mislabeled seed will surely continue to increase without an effective monitoring program.

PESTICIDE DATA PROGRAM

We are also requesting an increase for infrastructure improvements to the Pesticide Data Program. Increased funding of $500,000 will allow the program to monitor changes in residue profiles required by the Food Quality Protection Act of 1996, and to add data on new commodities and residues. For example, the program must develop data analysis methods for organophosphate replacements. Many of these pesticides are used extensively in the European Union and Canada and are likely to be found in crops exported to the United States. Approximately 70 percent of the increase requested will be used to offset rising operational costs at the State level. Funds will also be used to complete International Standards Organization accreditation for PDP laboratories. Overall, these improvements will enable PDP to deliver approximately 15 percent more pesticide residue data, covering additional children's foods and other commodities with significant dietary consumption.

COMMODITY PURCHASE SERVICES

We are requesting increased funding from Section 32 permanent appropriations to improve administration of commodity purchase activities. An increase of $306,000 will enable AMS to better verify that the commodities purchased are all domestically

produced. We will also work with the industry to make the procurement system more efficient.

AMS purchases approximately 683 million pounds of fruits and vegetables per year for domestic food assistance programs at a cost of about $340 million. The purchasing contracts for those commodities require that all of the food products meet the published specifications and that they originate from produce 100 percent grown, processed and packaged in the United States. To ensure seller compliance with the domestic origin requirement, we will increase our domestic review activities. These domestic reviews involve the collection of additional data to identify, track, and report on commodities purchased under Federal procurement contracts. We will also conduct weekly product reviews, provide the findings to the purchaser and bidder, and maintain a database of these findings for future reference.

MARKETING AGREEMENTS AND ORDERS

We request an additional $600,000 for Marketing Agreements and Orders administration to improve oversight and program review activities. AMS marketing agreement and order programs play a critical role in helping to stabilize market conditions for more than 60,000 producers, with crops valued at more than $5 billion annually. AMS program resources, faced with increases in regulatory and policy requirements, are stretched to their limit in processing informal and formal rulemaking recommendations in a timely manner, monitoring marketing order and Section 8e imported commodity compliance, and ensuring effective program oversight. Consequently, the program has been unable to respond quickly to recent requests from industry for new marketing orders and amendments. Additional funding will allow the

program to improve its efficiency and better serve the industry in establishing new programs and processing amendments to existing programs.

BUDGET REQUEST SUMMARY

That concludes our budget presentation for fiscal year 2003. By fund, our total budget request includes $77.7 million for Marketing Services, a net increase of $3.1 million. In addition to the program increases I have outlined, our request includes a decrease in one-time funding for Organic Certification of $639,000, an increase for pay costs of $1.1 million, and adjustments for employee pensions and annuitant health benefits and the Federal Employees' Compensation Act. We are requesting the current funding level of $1.3 million for Federal-State Marketing Improvement Program grants under Payments to States. Our request for $26.2 million in Section 32 Administrative funds includes a program increase of $900 thousand and an increase for pay costs of $400 thousand, for a total increase of $1.3 million. This budget request allows AMS to build on its strengths to assist the agricultural industry by facilitating domestic and international marketing and provides for infrastructure improvements necessary to ensure effective delivery of services to our customers.

Thank you for this opportunity to present our budget proposal.

A.J. Yates

Administrator, Agricultural Marketing Service

A.J. Yates was appointed as the Administrator of the Agricultural Marketing Service in September 2001. Yates oversees more than 50 programs designed to maintain a stable marketing environment for the benefit of America's farmers, ranchers, and consumers. The Agricultural Marketing Service accomplishes this mission using tools such as federal marketing orders, research and promotion programs, the federal-state marketing improvement program, and the wholesale marketing development program. Agricultural transportation issues, market regulatory laws, market news, and federal grading and certification are other tools that the agency uses to help ensure a steady supply of high-quality food on American tables.

Yates brings with him to USDA many years of experience in the agricultural industry and state government. He worked for the California Department of Food and Agriculture as Deputy Secretary from August 1991 to December 1996, and Under Secretary until January 1999, where he helped to provide leadership to the CDFA's seven divisions and developed and implemented policy for California's agricultural industry and consumers.

After leaving CDFA, Yates was a senior marketing consultant with Panagraph Marketing Solutions in Fresno, CA.

He also has been actively involved in organizations supporting agriculture and education, serving as President of the Fresno County Farm Bureau, State Director of the California Sugar Beet Growers Association, and Director of the Mid-Valley Irrigation District.

Yates is a life-long farmer from Kerman, CA. He graduated from California State University at Fresno in 1957 with a bachelors degree in agronomy. He and his wife Joyce have three sons.

Mr. BONILLA. Thank you, Mr. Yates.
Ms. Waterfield.

GIPSA OPENING STATEMENT

Ms. WATERFIELD. Thank you, Mr. Chairman. Briefly, I just appreciate the opportunity to be here, and I want to thank the subcommittee for the support it has shown GIPSA in the past. I will defer to the comments that my colleague, Mr. Shipman, has already submitted to this committee; and I will be happy to answer any questions put forward by the committee. Thank you.
Mr. BONILLA. Thank you.
[The statement of Mr. Shipman follows:]

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

Statement of David R. Shipman, Acting Administrator of the Grain Inspection, Packers and Stockyards Administration, before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.

Mr. Chairman and members of the Committee, I am pleased to highlight the accomplishments of the Grain Inspection, Packers and Stockyards Administration (GIPSA), and to submit our fiscal year (FY) 2003 budget proposal.

GIPSA is part of USDA's Marketing and Regulatory Programs, which works to ensure a productive and competitive global marketplace for U.S. agricultural products. Our mission is to facilitate the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products, and to promote fair and competitive trading practices for the overall benefit of consumers and American agriculture.

GIPSA has both regulatory and service roles. Our Packers and Stockyards Programs (P&SP) promotes a fair, open, and competitive marketing environment for the livestock, meat, and poultry industries. The Agency's Federal Grain Inspection Service (FGIS) provides the U.S. grain market with Federal quality standards, a uniform system for applying them, and impartial, accurate grain quality measurements that promote an

equitable and efficient U.S. grain marketing system. Overall, GIPSA helps promote and ensure fair and competitive marketing systems for all involved in the merchandising of livestock, meat, poultry, and grain and related products.

Organization

GIPSA is headquartered in Washington, DC. Our P&SP, which administers the Packers and Stockyards Act of 1921, as amended (P&S Act), currently has 166 employees at headquarters and in three regional offices. The Atlanta Regional Office is primarily responsible for enforcement issues relating to the poultry industry; the Denver office for enforcement issues related to the cattle and sheep industries; and the Des Moines office for enforcement issues related to the hog industry. Legal specialists, economic, financial, marketing, and weighing experts from the various locations work together to address issues, and to monitor emerging technology, evolving industry and market structural changes, and other issues affecting the livestock, meatpacking, and poultry industries the Agency regulates.

FGIS personnel work in a unique public-private partnership with over 2,000 State and private inspectors to provide high-quality inspection and weighing services on a user-fee basis across the Nation. Federal inspectors service 38 export elevators in Georgia, Illinois, Indiana, Louisiana, Maryland, New York, Ohio, Oregon, and Texas. Eight delegated State departments of agriculture provide service at an additional 19 export elevators in Alabama, California, Minnesota, Mississippi, South Carolina, Virginia,

Washington, and Wisconsin. In Canada, the Canadian Grain Commission provides official service on U.S. grain transported through Canadian ports under a cooperative agreement at seven locations, with GIPSA oversight. Fifty-nine (59) designated private agencies serve the domestic market under GIPSA supervision. In FY 2001, this unique mix of Federal, State, and private inspection agencies provided over 2 million inspections on nearly 235 million metric tons of grains and oilseeds; weighed over 100 million metric tons of grain; and issued more than 89,000 official weight certificates.

Our Technical Center in Kansas City, Missouri, is GIPSA's central laboratory for technical leadership and support for the official grain inspection system and U.S. grain industry, and home of the Agency's Biotechnology Reference Laboratory.

GIPSA's Packers and Stockyards Programs

GIPSA's Packers and Stockyards Programs (P&SP) administers the P&S Act to promote fair and open competition, fair trade practices, and financial protection in the livestock, meat packing, meat marketing, and poultry industries. The objective of the P&S Act is to protect producers, growers, competitors, and consumers against unfair, unjustly discriminatory, or deceptive practices that might be carried out by those subject to the P&S Act. To meet this objective, GIPSA seeks to deter individuals and firms subject to the P&S Act from engaging in anti-competitive behavior, engaging in unfair, deceptive, or unjustly discriminatory trade practices, and failing to pay livestock producers and

poultry growers; and to initiate appropriate corrective action when there is evidence of anti-competitive, trade, payment or financial practices that violate the P&S Act.

The livestock, meat, and poultry industries are important to American agriculture and the Nation's economy. With only 166 employees, GIPSA regulates these industries, estimated by the Department of Commerce in FY 2001 to have an annual wholesale value of $125 billion. At the close of FY 2001 there were 6,241 market agencies and dealers, and 2,050 packer buyers registered with GIPSA. In addition, 1,525 facilities providing stockyard services, an estimated 6,000 slaughtering and processing packers, meat distributors, brokers and dealers, and 205 poultry firms are subject to the P&S Act.

Last year, GIPSA conducted over 1,600 investigations. Most violations of the P&S Act were corrected voluntarily, with many resulting in livestock and poultry producers receiving additional funds for the sale of their products. During FY 2001, 15 administrative or justice complaints were issued to bring subject firms into compliance with the P&S Act.

GIPSA continues to provide payment protection to livestock producers. Financial investigations last year resulted in $6.3 million being restored to custodial accounts established and maintained for the benefit of livestock sellers. This is nearly triple the $2.7 million restored in FY 1999, and $400,000 more than the $5.9 million restored in FY 2000. Livestock sellers recovered over $844,000 under the P&S Act's packer trust provisions. During FY 2001, 47 insolvent dealers and market agencies corrected or

reduced their insolvencies by $2.9 million; insolvent packers corrected or reduced their insolvencies by $1.9 million.

To ensure that producers and growers are aware of the protections the P&S Act provides, GIPSA has increased its outreach activities to better educate the industry about the P&S Act and GIPSA's regulatory role in the market. In FY 2001, GIPSA continued a series of poultry "town hall" meetings that it hosted for poultry growers, integrators, and affiliated industries. The "town hall" meetings prompted multiple requests for additional presentations from growers, integrators, and industry organizations about GIPSA's authority in the poultry industry, which were honored as GIPSA personnel had the time and resources to do so. GIPSA also conducted 23 orientation sessions for new auction market owners and managers to educate them about their fiduciary and other responsibilities under the P&S Act. These visits in the early stages of a market's operations also protect livestock producers who rely on the market to be a competitive, fair, and financially sound marketplace. Further, GIPSA personnel regularly met with industry associations at the local, State, and national levels. GIPSA participated in these meetings to remain abreast of problems and concerns in the livestock, meat, and poultry industries, and to better understand the marketing options and constraints these industries face. On the front lines, GIPSA's resident agents, situated at 28 locations across the Nation, maintain open communications with State officials to discuss areas of overlapping jurisdiction. GIPSA recognizes that it is essential to stay in touch with growers, producers, and Federal and State representatives to understand, stay abreast of, and anticipate issues confronting the industries it regulates. GIPSA's outreach efforts

have fostered a broader base of understanding with growers and producers. We will continue and expand this effort.

Our regulatory responsibilities are the heart of our mission to enforce the P&S Act. To this end, GIPSA closely monitors practices that may impede the free trade of livestock, meat, and poultry. Investigating complaints alleging anti-competitive, unjustly discriminatory, or unfair practices in the livestock, meat, and poultry industries remains a top priority. GIPSA continues to initiate appropriate corrective action if we discover evidence of these practices.

GIPSA's Rapid Response Teams remain a powerful tool to address urgent industry issues and to immediately notify the public about a firm's fiduciary or financial problems. Last year, 94 GIPSA investigators were deployed soon after being notified of a crisis to investigate 51 potentially serious situations across the Nation. During FY 2001, these rapid response investigations contributed to returning $6.1 million to livestock producers and poultry growers.

The Agency also provides a hotline (1-800-998-3447) by which constituents may anonymously voice their concerns. Last year GIPSA responded to and investigated issues raised by 124 callers. These calls were in addition to calls received in our regional offices.

GIPSA is also strengthening investigations and assessments of competitive implications of structural change in the livestock, meatpacking, and poultry industries. Throughout FY 2001, GIPSA incorporated economic, statistical, and legal expertise into investigations to increase the efficiency and effectiveness of our investigations of anti-competitive and unfair practices, and our enforcement of the P&S Act. Increased cross-utilization of our economists, legal specialists, auditors, marketing specialists, and industrial specialists from headquarters and field locations has brought targeted investigative and analytical skills to specific investigations. GIPSA also pursued cooperative agreements with qualified researchers and research institutions that contribute valuable information to GIPSA's economic understanding of the livestock, meatpacking, and poultry industries.

In addition to our normal regulatory duties, GIPSA has fulfilled several Congressional mandates in FY 2001 and continues work on others: Captive Supply Study, annual Assessment the Cattle and Hog Industries, implementing the recommendations in the GAO Report and the Swine Contract Library.

- House Report No. 106-948 directed GIPSA to complete a comprehensive study of the captive supply issue. USDA released "Captive Supply of Cattle and GIPSA's Reporting of Captive Supply" on January 18, 2002. The report clarifies GIPSA's definition of the term "captive supply," and compares GIPSA's captive supply statistics to those published by other organizations. GIPSA found that differences in captive supply statistics reported by various organizations result from conflicting definitions of captive supply and variations in the geographical bases

of the data collection. The report also compares 1999 procurement transactions data of the top four beef packers to summary captive supply data the packers submitted to GIPSA. GIPSA found that captive supplies accounted for 32.3 percent of the firms' total slaughter rather than 25.2 percent, as reported in the packers' annual reports to GIPSA. The data discrepancies are attributed to misunderstandings about captive supply definitions and computational errors. GIPSA will take several actions in response to the study findings. GIPSA will (1) publish our definition of captive supply in the *Federal Register* (livestock that is owned or fed by a packer more than14 days prior to slaughter; livestock that is procured by a packer through a contract or marketing agreement that has been in place for more than 14 days prior to slaughter; and livestock that is otherwise committed to a packer more than 14 days prior to slaughter); (2) clarify the reporting definitions on the Packer Annual Report form; (3) audit future Packer Annual Reports; and (4) report captive supply information in more detail.

- Amendments to the Packers and Stockyards Act in the Grain Standards and Warehouse Improvement Act of 2000 (Public Law 106-472) require GIPSA to submit an assessment of the cattle and hog industries to Congress each year. GIPSA's "Assessment of the Cattle and Hog Industries, Calendar Year 2000" (issued in June 2001) describes the general economic state of the cattle and hog industries during 2000, changing business practices in those industries, and activities that raise concerns under the P&S Act. The assessment found that technology, consumer demands, and competitive forces are driving substantial changes in the structure and behavior of firms in the livestock and meatpacking

industries. Many of the changes may benefit the industries involved, consumers, and the Nation as a whole. Some may foster unlawful anti-competitive behavior or unfair trade practices. GIPSA will address the concerns discussed in the report by monitoring changes in industry structure and behavior, and examining practices that may be unlawful under the P&S Act. GIPSA also may formally investigate, undertake regulatory initiatives, or further research and analyze the economic, competitive, and trade practice implications of the structural and behavioral changes. GIPSA is currently finalizing its second annual assessment report.

- Another mandate began with the General Accounting Office's (GAO) Report to Congress, issued in September 2000, "Actions Needed to Improve Investigations of Competitive Practices." The Grain Standards and Warehouse Improvement Act of 2000 (Public Law 106-472) required GIPSA to implement the GAO's recommendations and report on actions taken to improve investigations of competitive practices by November 9, 2001. In accordance with GAO's recommendations, and based on required input from the Department of Justice (DOJ) and the Federal Trade Commission (FTC), in FY 2001, the Agency implemented investigation planning, development, implementation, and review processes to ensure appropriate investigation planning and oversight within GIPSA and with the USDA Office of the General Counsel (OGC). Also during the fiscal year, OGC added more attorneys to address GIPSA matters; Agency economists and legal specialists received additional specialized training; and GIPSA issued its first annual assessment of the cattle and hog industries to report

on changes in those industries. The report to Congress has been delayed, in large part, by GIPSA's increased workload resulting from implementation of GAO recommendations, and the Agency's report on captive supplies in the cattle industry, which was completed and submitted to Congress on January 18, 2002.

- The Swine Contract Library was mandated in the Agricultural Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2000 (Public Law 106-78). It amended the P&S Act to require GIPSA to establish and maintain a library of contract provisions offered by packers to swine producers for the purchase of swine and to make these provisions available to the public. Publication of the final rule is contingent on development and deployment of a Web-based system capable of receiving contracts, extracting unique contract provisions, and posting summary information in a manner that complies with the confidentiality requirements of the P&S Act and is useful to market participants. This is a sizeable and complex undertaking. GIPSA has been appropriated approximately $200,000 annually to develop and operate the Swine Contract Library. Additional funding may be necessary in the future. GIPSA is exploring ways to expedite the development and implementation of the electronic process and final rule. Once complete, the Web-based library will offer summarized information on contract terms and monthly reports on the number of swine under contract.

GIPSA will continue to provide payment protection to livestock and poultry producers; increase the number of competition and trade practice investigations of potential

violations of the P&S Act; pursue voluntary corrections of violations of the P&S Act which will likely result in livestock and poultry producers receiving additional funds; continue outreach efforts to educate our constituencies about the benefits and protections offered to livestock and poultry producers under the P&S Act; monitor and respond rapidly to complaints of anti-competitive, unjustly discriminatory, or unfair behavior in the livestock, meat and poultry industries that violates the P&S Act; pursue cooperative agreements that contribute valuable information to GIPSA's economic understanding of the regulated industries; address violations of the P&S Act through formal corrective actions; respond thoroughly and responsibly to all governmental inquiries and Congressional mandates; and pursue rulemaking that enhances GIPSA's ability to investigate and litigate violations of the P&S Act.

GIPSA's Federal Grain Inspection Service

GIPSA's grain inspection program facilitates the marketing of U.S. grain and related commodities under the authority of the U.S. Grain Standards Act (USGSA) and the Agricultural Marketing Act of 1946 (AMA). GIPSA provides the market with descriptions (grades) and testing methodologies to measure the quality and quantity of grain, rice, edible beans, and related commodities; provides an array of inspection and weighing services, on a fee basis, through a unique partnership of Federal, State, and private laboratories; and ensures that the standards are applied and the weights recorded fairly and accurately. As an impartial, third-party in the market, we advance the orderly

and efficient marketing and effective distribution of U.S. grain and other assigned commodities from the Nation's farms to domestic and international buyers.

For an average cost of 26 cents per metric ton of grain in FY 2001, exporters received USDA export certificates from GIPSA that they used to market over $20 billion worth of cereals and oilseeds. Likewise, here at home, buyers and handlers requested over 1.9 million domestic inspections that facilitated the trading of more than 128 million metric tons of cereals and oilseeds.

Traditionally, the official grain inspection system has operated in a supply driven food chain. Grain was produced, delivered to the elevator, and marketed as a commodity with buyers relying on the grades and standards to describe the general quality of a product.

The emergence of value-enhanced grains and oilseeds, development of niche markets for non-biotech commodities, and establishment of new regulatory requirements by U.S. trading partners has created a need for greater product differentiation in the marketplace. To meet this need, market participants are relying, in part, on various quality assurance mechanisms, such as process verification, and testing for accurate information about products in the marketing chain and to comply with the new market demands. The efficiency of the marketing system will, therefore, depend on the availability of accurate and reliable quality assurance and testing processes.

To ascertain USDA's place in today's evolving marketplace, during FY 2001, GIPSA published an advance notice of proposed rulemaking seeking public comment on the Department's role in facilitating the marketing of grains, oilseeds, fruits, vegetables, and nuts. GIPSA coordinated the Department's effort to explore how it can continue to foster the marketing of agricultural products in an evolving marketplace characterized by biotech and non-biotech crops, as well as by an increasing number of crops with specific end-use quality attributes. Two themes emerged in comments pertaining to USDA's role in market facilitation: (1) USDA should continue and expand existing programs to standardize testing methodology, and (2) USDA may have a role to play in developing process verification programs for grains, oilseeds, and related agricultural products.

To address the public's comments, and to meet the greater need of providing all players in the market with the information they need to effectively market all U.S. grain, whether derived conventionally or through biotechnology, in FY 2001, GIPSA opened a biotechnology reference laboratory.

In FY 2002, building on its previous efforts, GIPSA began expanding its Rapid Test Performance Evaluation Program to assess the performance of rapid tests developed to detect commercially produced biotechnology events in grains and oilseeds, and confirm that the tests operate in accordance with manufacturers' claims. Initially, this program was used to evaluate rapid tests developed to detect the presence of the Cry9C protein produced in StarLink™ corn.

Based on findings of a FY 2001 study which found that U.S. and European private and government laboratories' capabilities to analyze for biotechnology events varied significantly, on February 7, 2002, GIPSA began offering a Proficiency Program for organizations that test for biotechnology-derived grains and oilseeds. The program will enable organizations to enhance testing reliability and help the grain industry determine the proficiency of commercial labs that provide testing services.

GIPSA also is exploring the feasibility of providing a voluntary Process Verification Program to facilitate the marketing of grains, oilseeds, and related agricultural commodities. The market is adopting a variety of new marketing mechanisms, such as process verification, to augment traditional marketing approaches, in response to changing consumer demands. GIPSA plans to assess how the Agency can add value through process verification for these commodities by augmenting existing market mechanisms.

GIPSA also is continuing to collaborate with the National Institute of Standards and Technology (NIST), and standards organizations in the United States and other countries to establish internationally recognized standard reference materials and standard methodologies for agricultural biotechnology events.

Our efforts to respond to the market's needs for services to facilitate the marketing of biotech and non-biotech grains have been substantial. But a great deal of activity has been underway in other areas as well.

GIPSA continuously evaluates and implements new technology in the official inspection system to respond to market needs. Further, the performance of existing official inspection methods is routinely evaluated and improvements are developed as needed. Official inspection methods (including calibration equations) are made available to commercial inspection users to enhance consistency between official and commercial grain inspection results. We are in the process of implementing several types of new technology for grain inspection:

- Digital imaging was piloted in FY 2000 to certify the percentage of broken kernels in long-grain milled, long-grain parboiled, and short-grain milled rice. GIPSA is refining a quality control system for this new technology and plans to expand its use for official rice inspection. We also are using digital imaging to measure the vitreousness of Hard Red Spring and Durum wheats. GIPSA, in a joint program with the Canadian Grain Commission (CGC), also plans to investigate the use of flatbed scanner technology for imaging and differentiating white and red wheat kernels. This new technology could greatly improve the accuracy, consistency, and objectivity of inspection and grading.

- GIPSA's work on mycotoxin analysis continues to expand. We have established a zearalenone reference method and began evaluating zearalenone test kits for use in the official inspection system.

- Working with the North American Export Grain Association (NAEGA), GIPSA developed a prototype automated grain inspection system that will speed inspections, reduce costs to the industry, and enhance GIPSA's efficiency. We are operating the prototype system throughout FY 2002 to gather performance data and identify required enhancements.

- GIPSA is working with researchers from academia and the USDA Agricultural Research Service to define wheat protein quality and to develop practical, rapid methods for assessing wheat protein quality in marketing channels.

- We continue to cooperate with Canadian, Australian, and several European entities to develop and test a "global" near-infrared transmission (NIRT) calibration to measure the quantity of protein in wheat and barley. The calibration, based on tests of nearly 40,000 samples of wheat and barley, uses artificial neural network technology to achieve excellent accuracy for very diverse grain types.

- GIPSA has received ISO 9002:1994 registration of its moisture reference, protein reference, oil extraction reference, mycotoxin reference, mycotoxin test kit evaluation, and pesticide data program laboratories. In addition, the pesticide analysis service has recently received its recommendation for registration. We are currently updating our program to the ISO 9001:2000 standard. Two additional programs, the Pesticide Data Program and the Biotechnology Branch, are currently working toward ISO 17025:1999 accreditation.

GIPSA also is keeping pace with the grain industry's move from paper to e-commerce to streamline, automate, and improve business transactions. Recent advances in information technology have provided the U.S. grain marketing system with tools to provide instantaneous exchange of electronic documents and data among all parties in the trade chain. GIPSA is keeping pace with our customers' migration toward this marketing process. We are taking part in pilot tests and demonstrations with electronic commerce vendors; developing a system to send inspection information generated at multiple locations directly to a customer; preparing to submit electronic inspection information into a vendor's document handling system at the request of applicants; and pilot testing a computer generated inspection certificate for export cargoes. By harnessing the latest hardware, software, and available technology, we will be prepared to enter and participate in the electronic commerce arena.

All of our efforts to improve and streamline our programs and services are paying off for our customers, both in terms of their bottom lines and in greater customer satisfaction. GIPSA's service delivery costs (adjusted for inflation), decreased from $0.27 per metric ton in fiscal year 1994 to $0.26 per metric ton in fiscal year 2001.

We are an integral part of America's grain handling infrastructure -- a superior infrastructure of storage facilities, rail lines, and waterways that makes American agriculture preeminently successful in the global marketplace. We recognize our role and

will continue to provide all members of the U.S. grain handling system with the innovative, high-quality official inspection services they need to efficiently and effectively meet the challenges of a changing marketing environment.

Our outreach and educational efforts to our international customers are maintaining strong open markets for America's grains and oilseeds. In FY 2001, GIPSA began producing multimedia tools to educate the domestic and international grain industries. GIPSA now offers CDs on wheat, corn, and soybean grading; a grain grading overview; rough rice milling yield, and testing corn for StarLink™ to the public. In FY 2001, GIPSA distributed over 2,000 new CDs and 5,000 revised brochures to official inspection offices, grain handling and processing firms, producers, foreign grain buyers, government agencies, and educational institutions, and posted the brochures in electronic format on the Internet. We are now producing CDs on grain sampling methods and sample variability, container stowage exams, and rail sampling safety.

One indicator of the success of our outreach and educational initiatives is the number of foreign complaints lodged with GIPSA regarding the quality or quantity of U.S. grain exports. In FY 2001, GIPSA received 15 quality and 0 quantity complaints from importers on grains inspected under the U.S. Grain Standards Act, involving 494,267 metric tons, or about 0.5 percent by weight, of the total amount of grain exported during the year.

Exporters, importers, and end users of U.S. grains and oilseeds, as well as other USDA agencies, USDA cooperator organizations, and other governments, frequently ask for GIPSA expertise overseas. In FY 2001, we responded to 10 requests for technical assistance overseas. We helped Zambia, Kenya, Tanzania, and Uganda develop grain standards and inspection methods; conducted a weight review on a U.S. wheat shipment to the Philippines; met several times with Japanese officials to address their concerns over StarLink™ corn; participated in several international biotech conferences; and assisted USDA cooperators with rice grading seminars in Nicaragua, Costa Rica, and Guatemala, and grain quality seminars in several other countries.

At home, GIPSA regularly holds seminars and meetings to educate foreign visitors and customers about the quality and value of U.S. grain exports. In FY 2001, GIPSA representatives met in the United States with 75 teams from 32 countries, to provide information, technical guidance, and educational seminars. These international outreach efforts help promote greater harmony between U.S. and international standards, and foster a better understanding of the U.S. grain marketing system, the official U.S. grain standards, the national inspection system. This, in turn, reduces the risk of new barriers in today's open and freer global marketplace, enhances purchasers' confidence in U.S. grain, and facilitates the export of U.S. agricultural products.

The grain program will continue to work to ensure our relevance and value to American agriculture. We are reaffirming our commitment to facilitating the marketing of U.S.

grain by responding to our customers' needs and providing the highest quality grain inspection and weighing services to all whom we serve.

Fiscal Year 2003 Budget Request

To fund these important initiatives and to enable GIPSA to remain a valuable part of American agriculture, GIPSA's budget request for FY 2003 is $42.9 million under current law for salaries and expenses and $42.5 million for our Inspection and Weighing Services. There is also an additional increase of $733,000 for pay costs contained in the budget. GIPSA also is submitting legislation to collect $28.8 million in new user fees in FY 2003, $5.6 for the grain program and $23.3 million for PSP.

The President's FY 2003 budget proposes a current law request for grain inspection of $19.6 million. There are proposed increases of $850,000 to build unified data warehouse; and $450,000 for detection of new added value crops and biotechnology traits.

The $850,000 increase for a data warehouse would allow GIPSA to harness advances in information technology to integrate existing disparate database information systems to enhance the efficiency of our oversight and management of the official grain inspection system.

The $450,000 increase will help ensure that the accelerated introduction of new added value crops, whether derived through modern biotechnology or conventional breeding,

does not outpace GIPSA's ability to evaluate testing methods and accredit laboratories. The ability to distinguish specific crops will be driven by added market value, customer demands, and the regulatory requirements of our trading partners. The proliferation of regulatory requirements around the world concerning biotechnology-derived crops, including the eventual implementation of the international Biosafety Protocol (estimated for late 2002), will place further demands on the grain industry to distinguish certain crops. The market demand to segregate higher valued crops will also place a greater need on being able to identify specific varieties or qualities of grain. The increased funds will enable GIPSA to expand its newly established biotechnology program to keep pace with the rapid introduction of new products. This will involve expanding the ability to validate rapid protein-based tests, keep pace with the rapid development of DNA-based methods, and develop reference methods for traditional end-use traits such as fatty acid profiles, amino acid profiles, phytate content, and other nutritional qualities.

The President's FY 2003 budget proposes a current law request for Packers and Stockyards Program of $23.3 million. There are proposed increases of $1,000,000 to improve enforcement of the anti-competitive and other provision of the Packers and Stockyards Act; $1,200,000 for the development of Web applications for PSP; $1,000,000 to monitor the livestock and meatpacking industries' use of electronic carcass evaluation technologies.

The $1,000,000 increase for anti-competitive enforcement stems from a General Accounting Office recommendation that attorneys be more actively involved in the

investigative process for anti-competitive practice investigations. Congress later mandated that GIPSA fully implement the GAO's recommendations. This staffing increase will allow GIPSA to fully integrate attorneys to the extent recommended by the GAO into the more complex anti-competitive, financial, and trade practice investigations.

The increase of $1,200,000 will allow GIPSA to implement eGovernment initiatives within the Packers and Stockyards Program. Currently, GIPSA has no web programmers or web designers that would allow it to rapidly and accurately deploy Web-based applications to meet eGov applications. These funds would be used to contract-out the design, development, implementation, and maintenance of important eGovernment Web initiatives.

The final increase of $1,000,000 for the PSP would enable GIPSA to increase its monitoring and regulatory presence as the livestock and meatpacking industries increase their use of electronic carcass evaluation technologies. Increasingly, to meet consumer demand and provide greater "value," packers began purchasing livestock through contract and marketing agreement or formula-priced transactions, and began using new means of automating the evaluation of cattle and hog carcasses based on new technologies, including among other methods, ultrasound and photographic imaging. Although carcass merit purchasing has been used for decades in the livestock and meatpacking industries, the technologies and their applications for evaluating carcass merit are changing at an accelerating pace. Previously, carcass merit purchases were generally based on a carcass weight and often one or two grades assigned by USDA graders. Today, packers

increasingly rely on internally assigned measures of carcass quality using modern and complex technologies. The technologies now being implemented by packers have a direct effect in determining the prices paid to producers for livestock. These changes introduce new risks for producers, since these new technologies are not standardized and their accuracy is inconsistent. This lack of standardization and inconsistent accuracy leaves producers vulnerable to unfair and unjustly discriminatory practices by unscrupulous members of the meat packing industry.

There are additional increases in the budget that will benefit both the grain inspection and Packers and Stockyards programs: $83,000 for employee pension and annuitant health benefits; $790,000 for a web server farm; $565,000 to meet information technology security requirements; and $41,000 for the Federal Employees' Compensation Act (FECA) program.

The increase of $83,000 for employee pension and annuitant health will allow GIPSA to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

The $790,000 for a web server farm will support GIPSA's internet and intranet. The Agency must establish standard Web hardware, software, and facilities to implement the developing eGovernment electronic interface. This will provide a common information technology environment required for GIPSA to deliver data to and collect information from our customers. The Web server farm, comprised of multiple, high performance

servers, will be able to implement a wide range of Web based interactive applications, and accommodate large data transfers from customers and field locations to existing Agency computer systems.

The $565,000 increase will ensure that GIPSA's information technology security measures are effective and meet USDA standards. This will require the addition of software, hardware, and additional servers to provide for data security, backups, and recovery capabilities. This funding will ensure that GIPSA is a full participant in USDA's IT security programs.

Finally, GIPSA has requested a $41,000 increase to cover the cost of the Department of Labor's administrative surcharge for the Agency's FECA benefits.

The Department request reflects legislation that would fund the grain standardization and packers programs through fees. Fees are appropriate when a Federally financed activity clearly provides a direct benefit for a specific group of people. In such instances, the costs of those programs should be borne by the benefiting group rather than by all taxpayers. Both of these programs do provide a direct benefit to a specific group - by setting up standards to improve the marketing of grain and by improving the financial integrity and fair and open marketing of the livestock industry. In addition, there is precedent for charging fees for these types of activities in the Agricultural Marketing Services' standardization program, and the Perishable Agricultural Commodities Act program, which also charges a licensing fee for participation.

Authorizing legislation has already been submitted for the standardization fee, and we anticipate submitting legislation for the packers licensing fee in the near future.

Conclusion

Mr. Chairman, this concludes my statement. I appreciate the opportunity to testify on behalf of the Grain Inspection, Packers and Stockyards Administration (GIPSA). I will be happy to answer any questions the Committee may have.

JoAnn Waterfield
Deputy Administrator
USDA, GIPSA, Packers and Stockyards Programs
Washington, D.C.

Ms. JoAnn Waterfield was named as Deputy Administrator of the Packers and Stockyards Programs (P&SP) of the Grain Inspection, Packers and Stockyards Administration (GIPSA) in September of 2000. From 1991 until her selection, Ms. Waterfield worked as an attorney with the Trade Practices Division of the Office of the General Counsel (OGC). In that position, she litigated proceedings to enforce the Packers and Stockyards Act of 1921, as amended, as well as the Agricultural Commodities Act. From 1985 to1990, she served as the Supervisor of the Juvenile Drug Testing Unit in Washington, D. C.'s Pre-trial Services Agency.

A native of Stratford, New Jersey, Ms. Waterfield holds a B.A. degree in Justice from American University, in Washington, D.C., and a J.D. degree from the University of Maryland Law School.

Mr. BONILLA. Mr. Acord.

Mr. ACORD. I have submitted a statement for the record, Mr. Chairman. I have no further comments other than I appreciate the opportunity to work with the committee on the 2003 appropriation.

[The statement of Mr. Acord follows:]

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

The statement of Mr. Bobby R. Acord, Administrator, Animal and Plant Health Inspection Service, before the House Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for Fiscal Year (FY) 2003.

Mr. Chairman and members of the Subcommittee, it is indeed a pleasure for me to represent the Animal and Plant Health Inspection Service (APHIS) before you today. I have spent a good portion of my career serving this agency and there is none better. Simply put, APHIS is the guardian of U.S. agriculture. A substantial portion of the U. S. economy and the health of our food supply depend on APHIS' ability to prevent foreign pests and diseases from entering the country as well as quickly detecting and controlling them if they do. Safeguarding American agricultural health is vital to providing an affordable food supply for all U.S. consumers. Further, it helps U.S. farmers by preserving and expanding both domestic and international markets for U.S. - produced food and fiber, which must be pest- and disease-free to be sold.

Overseas activities, exclusion efforts at the border, and monitoring and managing agricultural pests and diseases existing in the United States are intrinsic and inseparable components of the larger function of ensuring the health and marketability of U.S. agriculture worldwide. Our efforts also protect animals from inhumane treatment and resolve human and agriculture conflicts with wildlife. For all of these activities, APHIS constantly employs new technologies, scientific

improvements, and innovations to complete our work more effectively and efficiently. Our statement will cover what we are doing in FY 2002, our FY 2001 highlights, and our FY 2003 budget request.

Recent events have led Americans - perhaps for the first time - to worry about the security of our food supply. The need for protecting U.S. agriculture, however, is not new to APHIS. Our safeguarding system consists of four tiers: (1) international activities to prevent problems from getting to U.S. shores; (2) border exclusion once passengers and products are attempting to enter the U.S.; (3) domestic monitoring, surveillance, and emergency response to quickly detect and respond to problems; and (4) ongoing eradication and control activities for pests and diseases; and wildlife management activities. This strategy of successive lines of defense has been effective. For example, we have kept foot-and-mouth (FMD) disease out of this country since 1929 and have kept any Mediterranean Fruit Fly (Medfly) incursions in check. Nevertheless, the current realities of international trade and travel, as well as the threat of those who would use pests and diseases to terrorize our people and harm our economy, make safeguarding American agriculture increasingly difficult. We must remain vigilant in all of these efforts.

Our international activities reduce the threat of agricultural pest and diseases approaching U.S. borders.

APHIS performs three complementary international functions. First, APHIS monitors and controls or eradicates pests or diseases in locations where they threaten U.S. agriculture. In many ways, for us the first "border" is the one that separates areas with pests and diseases from those

free of plagues. We want to deal with problems where they exist before they arrive at our shores. Second, APHIS programs regulate trade to ensure its safety to U.S. agriculture. We must ensure that the same trade that brings people and products to our nation does not bring us unintended visitors like pests and diseases. Third, APHIS promotes U.S. exports, using expertise in pests and diseases to prevent unnecessary trade barriers. American farmers have the best and healthiest products in the world. If the playing field is level, they will prevail. Related line items include Foreign Animal Disease (FAD)/Foot and Mouth Disease (FMD), Fruit Fly Exclusion and Detection, Screwworm, Tropical Bont Tick, Trade Issues Resolution and Management, and Import/Export.

Foreign Animal Disease(FAD)/FMD - APHIS' first line of defense against FADs is understanding where the threats from overseas lie and using that information to prevent those diseases from coming to the United States. APHIS' efforts successfully protected the biological and commercial health of the $76 billion livestock and poultry industries in the United States against devastating diseases in FY 2001. Excluding FMD and other FADs is critical to protecting U.S. farmers and consumers against losses in productivity, higher food prices, and lost export markets. Our FAD activities overseas include cooperative agreements with several countries, including Mexico and the countries of Central America. These collaborative efforts support FMD and other FAD surveillance and ensure that the United States is prepared to address the threat of disease entry. APHIS' FMD line item currently focuses on Colombia, because it is the nearest threat of overland transmittal to the United States. Considering the increasing numbers of passengers and commodities from other regions arriving by air and water, APHIS has

been expanding its efforts to other regions. For example, experts believe that the recent United Kingdom FMD outbreak originated in China. This expanded effort is reflected in the FY 2003 President's budget.

Fruit Fly Exclusion and Detection - APHIS is eradicating Medfly in Guatemala and Mexico through Moscamed, a cooperative cost-sharing program with Mexico, Guatemala, and Belize. APHIS has eliminated Medfly outbreaks from northern Guatemala, Belize, and all but the State of Chiapas, Mexico, since 1998 incursions into previously free areas lead experts to predict that the pest would soon establish itself in the United States, with a $5 billion per-year cost to U.S. producers. Emergency authority has been used to transfer funds from the Commodity Credit Corporation (CCC) since FY 1999 to get on top of the immediate threat. The eradication program, which includes aerial and ground bait spray treatments as well as release of sterile flies, is preventing the fly from moving north through Mexico into the United States. The goal of the current emergency effort is to create a sustainable barrier by eradicating Medflies from Guatemala to the border of Honduras and El Salvador. This program also keeps our multi-billion dollar citrus export markets open. In FY 2001, APHIS conducted cooperative fruit fly detection programs in States that are susceptible to the pests. In Florida, our goal is to detect a new introduction quickly enough to begin mitigation measures before the flies can get established. APHIS and California also continued strong statewide detection efforts that identified several harmful fruit flies entering the U.S. at California entry ports. In response to these detections, the program is increasing trapping and establishing quarantines, where necessary, to prevent the artificial spread of fruit flies beyond affected areas.

Screwworm - In FY 2001, APHIS continued keeping screwworms out of the United States and further reduced the likelihood that they will ever return. The eradication program is close to achieving its goal of establishing a permanent sterile screwworm barrier in the eastern third of Panama. Establishing the barrier at Panama's narrowest point will result in significant savings over any other location in Mexico or Central America. Pushing the barrier zone more than 2,000 miles and 7 countries away from the United States by land has provided ever increasing protection for the U.S. livestock industry, thereby preventing economic loss to U.S. producers. Our efforts include sterile fly production in Tuxtla Gutierrez, Mexico, where we produced and distributed an average of 116 million sterile flies per week in FY 2001. APHIS is currently examining options secure of an adequate number of quality sterile flies to maintain the barrier in Panama, eradicate isolated outbreaks, and provide flies to other countries and international organizations wishing to begin eradication programs.

Tropical Bont Tick (TBT) - The Caribbean Amblyomma Program (CAP), initiated in 1995, focuses on a regional approach to eradicating the TBT and preventing the introduction of the tick and its associated diseases, heartwater and dermatophilosis, into U.S. livestock and wildlife populations. APHIS provides technical expertise, program guidance, and funding through cooperative agreements with the CAP program and recently assigned a veterinarian to oversee the program. APHIS cooperates with the Food and Agriculture Organization of the United Nations and the Caribbean Community to exclude the pest from the U.S. This is an example of fighting a problem at the "border" other than our own. An eradication program in the U.S.

territories or the mainland would be extremely difficult and expensive, but a modest investment in the Caribbean offers the U.S. protection against that dire prospect.

Trade Issues Resolution and Management - APHIS attachés overseas monitor and respond quickly to emerging foreign pest and disease threats at their origin before they to reach U.S. ports. These attachés also resolve problems associated with shipments of U.S. commodities, enabling them to clear the border and enter into the country's market. Overseas personnel collaborate with headquarters staff to present the correct mix of protecting U.S. agriculture and ensuring that U.S. agricultural export products receive fair, science-based treatment in trade negotiations. In FY 2000, APHIS was directly involved in resolving 67 sanitary and phytosanitary (SPS) related trade issues involving U.S. agricultural exports, removing restrictions to trade worth over $2.5 billion. APHIS attachés abroad are positioned to resolve any difficulties that may impede the importation of U.S. agricultural shipments. Overseas technical assistance efforts also benefit U.S. exports by emphasizing the application of SPS concepts, such as appropriate risk assessment methodologies and harmonization with international standards. One area of growing concern is biotechnology. APHIS personnel worked to ensure that decisions on products derived from biotechnology received the same fair, science-based treatment as all agricultural products.

Import/Export - APHIS protects U.S. livestock, poultry, and wildlife populations from incursions of exotic diseases and parasites including those transmissible from animals to humans. APHIS regulates the importation of animals and animal products, determining if products can safely enter the U.S. without detrimental effects to U.S. agriculture. APHIS also promotes U.S. exports

to markets abroad by ensuring that U.S. origin animals and animal products meet health and welfare requirements of recipient countries. This program also participates in negotiations on trade of animals and animal products that face potential sanitary restrictions. Fulfilling this mission in FY 2001, APHIS observed the importation of 7.8 million animals; 10.6 million poultry; 2.5 million doses of semen; and 1,221 embryos. The program issued point of origin certificates for the export of approximately 752,000 head of livestock, 60.4 million doses of semen, and 15,246 bovine embryos. Without APHIS' efforts, U.S. farmers would lose these lucrative exports.

Border exclusion is our first domestic line of defense to keep harmful agricultural pests and diseases out of the United States.

United States border activities encompass the largest component of APHIS' tiered safeguarding system. Border inspections complement the protection aspect of APHIS international activities, as well as promote the free flow of trade in agricultural and other products. These activities give APHIS the opportunity to stop any threats that have arrived at U.S. shores and borders. The border activities include the Agricultural Quarantine and Inspection (AQI) line items, as well as the Cattle Fever Tick program. It is important to note that we are concerned not only with political borders, but "pest and disease" borders as well. For that reason, we inspect people and things leaving Hawaii and Puerto Rico destined for the mainland United States. We must do so because pests and disease present in those areas could spread to mainland States currently free of the problems.

Agricultural Quarantine Inspection (AQI) - This program reduces the risk of introduction of invasive species into the United States to protect American agricultural resources, maintain the marketability of agricultural products, and facilitate the movement of people and commodities across the borders. With appropriated funding, APHIS minimizes the threat of pests and diseases entering the U.S. by conducting point-of-entry inspections of travelers and cargo along the Mexican and Canadian borders and pre departure inspections of passengers and cargo traveling from Hawaii and Puerto Rico to the mainland.

With AQI user fees collections, APHIS inspects arriving passengers' baggage, commercial aircraft, and commercial vessels from foreign countries; commercial trucks crossing the U.S.-Mexico border; and railroad cars crossing the U.S.-Mexico border. As a result of the heightened focus on security, the need to enhance inspections to protect U.S. agriculture from possible biosecurity invasions is a major priority. Using fee collections along with funding from the Homeland Security Supplemental appropriation, we will enhance our efforts and successfully protect U.S. agriculture.

In response to the FMD outbreak in the United Kingdom and other parts of Europe during FY 2001, the Secretary of Agriculture made $13.5 million available from the AQI user fee reserve to increase inspection efforts at our ports. APHIS enhanced the surveillance of animal products from the European Union (EU) and implemented 100 percent inspection of all passengers on flights originating from affected EU member States. In FY 2001, APHIS inspected approximately 92.5 million maritime and airport passengers; pre-departure passengers in Puerto

Rico and Hawaii, pre-clearance passengers in Bermuda and the Bahamas, and pedestrians and bus/vehicle passengers arriving in the U.S. at over 300 ports of entry. This is an increase of 4.5 million over FY 2000. Our ports of entry are pathways for plant and animal contraband materials. While 95.4 percent of the international travelers and 96 percent of border vehicles were in compliance with our AQI regulations, we seized 314,641 prohibited animal products and byproducts. We also maintained 100 trained beagle teams at 35 major U.S. airports, land borders, maritime ports, and post offices. These beagles undergo a 12-week training course with their proposed handlers at the Agency's National Detector Dog Training Center in Orlando, Florida. APHIS continues to maintain X-ray scanning equipment as a screening tool in passenger baggage clearance at all foreign-arrival and pre-departure sites, as well as at several land border ports on the Mexican border.

In FY 2001, we enhanced our Smuggling Interdiction and Trade Compliance (SITC) program by hiring additional officers and investigators. SITC officers analyze pathways, prosecute smugglers, and provide outreach to industry on regulatory requirements. In addition, we work closely with several Federal agencies, State Departments of Agriculture, the Office of the General Counsel, and State and local police. The FY 2003 Budget and additional funds from the Homeland Security Supplemental appropriation reflect a commitment to provide heightened security by upgrading security clearances for all SITC officers to retrieve high levels of intelligence information and receive formalized training in this area. SITC must work with other intelligence groups like the Federal Bureau of Investigation (FBI), U.S. Customs, and the Office of Homeland Security to collect information necessary for determining appropriate targets and

interdiction activities to prevent prohibited biological agents from entering the United States. We conducted two major blitzes on the Canadian border focusing on vehicle traffic. The SITC program confiscated over 3,000 pounds of exotic fruits, herbs, and meats at three western New York crossings during a three day blitz.

Cattle Fever Tick - This program is designed, through the inspection of cattle and horses, to rapidly identify tick incursions, eradicate them, and prevent their spread. In addition, the program prevents the introduction of cattle fever ticks into the United States from Mexico by using horseback patrols to apprehend stray cattle and horses and enforce systematic quarantines along the Rio Grande River. This program, begun in 1906, was the first cooperative Federal-State eradication effort in the United States. In 1943, we eradicated two species of the cattle fever tick from the Southwestern United States, with the exception of a permanent quarantine zone between Texas and Mexico. Today, the permanent quarantine zone extends over 900 miles from Del Rio to the Gulf of Mexico and is up to six miles wide. In FY 2001, during horseback patrols for cattle and horses in the permanent quarantine zone, APHIS apprehended a total of 144 stray and smuggled animals from Mexico, 114 of which were infested with cattle fever ticks.

Stakeholders have proposed enhancements to the APHIS safeguarding mission, particularly at the borders. To ensure that the Agency is prepared to meet new challenges and stay ahead of potential problems, APHIS commissioned thorough evaluations of its plant and animal health safeguarding programs. After an in-depth review, the National Plant Board, which recognized

APHIS programs as strong, vital and necessary to the survival and U.S. producers, presented APHIS with its recommendations for strengthening plant health safeguarding programs in July 1999. Since then, APHIS has incorporated a number of the Plant Board's most important recommendations into its operations. These include establishing the SITC program, securing Congressional approval of the updated Plant Protection Act, and strengthening risk assessments. These achievements have significantly strengthened APHIS' ability to prevent harmful agricultural pests and diseases from entering the country. In response to other Plant Board recommendations, APHIS is examining ways of retooling and strengthening its risk management strategies. These activities, including increased offshore risk mitigation strategies, improvements in the collection and use of international pest information, and further strengthening our scientific and analytical base, would augment inspections at U.S. ports of entry.

The National Association of State Departments of Agriculture (NASDA) Research Foundation conducted a similar review of APHIS' animal health safeguarding programs in 2001. We believe this review will strengthen animal health programs in much the same way the Plant Board's review has benefited plant health safeguarding efforts. The Animal Health Protection Act – similar in scope to the Plant Protection Act – was recently introduced in Congress. The Act would consolidate and streamline the more than 20 animal quarantine and related laws that are now on the books, some of which have not changed since the 1880s. The Act would enable APHIS to establish a more efficient, effective system for regulating the import, export, and interstate movement of animals and animal products. It also would help strengthen APHIS' efforts to deter people from deliberately bringing in prohibited animals, animal products, and

even animal disease agents. We need these prohibitions and investigative tools now more than ever before.

Domestic monitoring, surveillance, and emergency response reduces agricultural production losses and export market disruptions.

The next tier in APHIS' safeguarding system includes monitoring and rapidly responding to any threats to animal or plant health. The animal health monitoring and surveillance (AHMS) and the pest detection line items constitute the Agency's key surveillance efforts. The emergency management system (EMS) line item helps to quickly respond to animal disease threats. The Homeland Security Supplemental appropriation will enable us to jump start proposed activities in the FY 2003 Budget.

AHMS - The AHMS program covers foreign animal disease investigations, surveillance for animal disease programs, certification programs, animal identification, and risk assessments. Collaborative information sharing and producer confidentiality are cornerstones of the AHMS program. Through effective partnerships with animal commodity producer groups – and with State governments, university researchers, and other Federal agencies – the program met producers' and the U.S. public's information demands in a cost-effective, collaborative manner.

With increased focus on animal health security in FY 2001, APHIS increased foreign animal disease (FAD) investigations. In FY 2001, APHIS conducted 801 investigations, a substantial

increase over FY 2000's total of 385 because of increasing concern over the FMD outbreaks in Europe. To prevent FAD incursions and the potential for additional intentional acts that may impact national security, APHIS thoroughly investigates all suspicious situations. This includes another FAD, bovine spongiform encephalopathy (BSE). To date, no case of BSE has ever been detected in the United States. APHIS has tested more than 13,900 brain samples. The annual number more than doubled, from 2,303 in FY 2000 to 5,056 in FY 2001. This is the largest single-year total since surveillance began in 1990. This enhanced testing helps support and validate the United States' BSE-free status.

BSE is a transmissible spongiform encephalopathy (TSE). The TSE family of diseases affects a number of animals, and some also affect humans. One of those, variant Creutzfeldt-Jakob disease (vCJD) has been linked to BSE. The Centers for Disease Control and Prevention's ongoing surveillance program has not detected vCJD to date in the United States, with the exception of an ill U.K. resident who sought medical care in the United States. Taking no chances, in March 2001, APHIS removed and disposed of the two remaining herds of Belgian sheep in Vermont suspected of having the TSE marker, a sign of potential disease. APHIS disposed of the first herd in July 2000.

The U.S. Department of Agriculture has conducted several risk assessments examining the possibility of BSE emerging in the United States. All the assessments have concluded that the potential risk of BSE emerging in the United States is low. In November 2001, the Harvard School of Public Health, Center for Risk Analysis, completed a three-year study of the risk of introducing BSE into the United States. They concluded that the U.S. Government's actions

have successfully minimized the risk of BSE in the United States, to the point that even if a few infected animals were detected, the disease would not become established. Nevertheless, the adverse economic impact of even a single case of BSE in the United States would likely be similar to that experienced in the United Kingdom because of consumer concern and the trade implications. Because of insufficient technical information about TSEs, importing countries block many animal products from countries with BSE. To prevent a similar scenario from occurring in the United States, the FY 2003 budget includes $7 million in grants to states for BSE, FMD, and other FAD surveillance. Disease outbreaks in the UK and other European countries demand that we accelerate our safeguarding efforts. To continue to keep FADs from entering the U.S., we must enhance surveillance and monitoring activities as proposed in the FY 2003 budget.

Our AHMS program also conducts monitoring and surveillance for several poultry, equine, and livestock diseases, which complement our eradication efforts. For example, the National Poultry Improvement Plan (NPIP), an industry-State-Federal program, continued to protect and serve the $25 billion poultry industry in FY 2001. The provisions of the NPIP, developed jointly by industry members, and State and Federal officials, established standards for evaluating poultry breeding stock and hatchery products for freedom from hatchery-disseminated and egg-transmitted diseases. In FY 2001, we tested 2,756 samples from live-bird markets in the Northeastern United States for the presence of the avian influenza virus (AIV) and isolated it in 419 of the samples. We also tested the 2 million horses in FY 2001 for equine infectious anemia (EIA). Of the horses tested, .03 percent tested positive. EIA is a viral disease that causes fever, anemia, progressive weakness, and weight loss.

APHIS is actively partnering with the National Johne's Working Group whose membership includes representation from Federal and State agencies, Universities, biologics, and livestock industry organizations. Johne's is a chronic bacterial disease that can have major economic influence on individual cattle producers and international cattle markets. At the end of FY 2001, the Johne's disease program included 1,950 herds that had control plans or risk assessments filed with States, including 514 enrolled during the year. Approximately 140 advanced within their program to higher levels of assurance for test negative status. In FY 2002, Congress established the Johne's disease program as a separate line item.

As progress continues toward the eventual eradication of brucellosis from the U.S. domestic livestock, the Agency is placing more emphasis on surveillance activities to ensure that we find the last affected herd. In FY 2001, we tested 11.1 million cattle, 300,000 more than in FY 2000. We must maintain adequate surveillance after eradication to prove to our trading partners that we are disease free. Similarly, APHIS continued to monitor the incidence of tuberculosis throughout the United States. Emphasizing national surveillance, the Agency more than doubled its testing of tuberculosis suspect tissues submitted by meat inspection personnel from slaughtered cattle from 1,028 in FY 2000 to 2, 991 in FY 2001. APHIS identified 71 samples as positive.

Pest detection - Concerns over the threat of bioterrorism have further demonstrated the need for a comprehensive national detection system for safeguarding the country's food production capacity and natural ecosystems. The Homeland Security Supplemental appropriation will enable us to jump start proposed activities in the FY 2003 Budget. APHIS will train personnel in key

locations throughout the country and coordinate and oversee early detection surveys in cooperation with States. APHIS and the States participate in the Cooperative Agricultural Pest Survey (CAPS) program, which provides the network for APHIS and the States to target invasive plant pest species and response activities. This program must increase and enhance the domestic infrastructure for early detection of weeds, plant diseases, insects, nematodes, and other invertebrate organisms which can gain entry into the country or into an area previously free of the pests. APHIS and the States conduct detection surveys for incipient infestations of exotic pests that could cause economic damage if they spread and become established in the United States. CAPS provides an electronic information exchange through the National Agricultural Pest Information System (NAPIS) database, web sites and e-mail systems, and provides strong interagency and interpersonal networks. NAPIS provides a summary database of pest survey results that are useful in tracking the spread of pests within the United States, demonstrating their absence, and planning their control to support U.S. exports. APHIS makes hundreds of thousands of observations, such as taking grain samples for Karnal bunt, setting traps for fruit flies, or checking trees for citrus canker and plum pox. Both positive and negative results yield valuable and useful information as can be seen with Khapra beetle. Khapra beetle is one of the world's worst pests of grain/commodities. Our surveillance verifies that the United States is free of this pest and thus able to maintain billions of dollars of exports.

Emergency Management System (EMS) - This program is a joint Federal-State-industry effort to improve our ability to deal successfully with animal health emergencies ranging from natural disasters to introductions of FADs. In addition to unintentional introductions of FADs, the EMS addresses intentional introductions and emerging diseases which could pose a threat to trade.

With full readiness to deal with animal health outbreaks, we can mitigate the damage of outbreaks on the Nation's food supply and economic well-being. APHIS provided assistance to the UK during its FY 2001 outbreak of FMD by coordinating teams of Federal and State veterinarians, including 158 veterinarians from APHIS, to travel to the UK to assist with eradication efforts. In addition to helping an important ally and trading partner, our veterinarians gained valuable knowledge and experience.

During FY 2001, the Agency began an emergency management grant program to assist States and Tribal Nations to meet or exceed the National Animal Health Emergency Management System State Standards. Of the 38 grants we awarded, 31 went to States, 6 to Tribal Nations, and 1 to a University. We established State Standards to identify critical issues in emergency animal health preparedness. APHIS also conducted a tripartite exercise with Canada and Mexico to develop, practice, and evaluate a North American emergency response plan for an FMD outbreak. The exercise focused primarily on communications and the use of vaccines.

Ongoing eradication and control activities minimize risks to agriculture production, natural resources, and human health and safety.

The final tier of the APHIS safeguarding system is eradicating and controlling pests and diseases already established in the U.S. to minimize the losses they cause, prevent their spread, and reduce trade restrictions on U.S. exports. Selected programs include the Boll Weevil, Biological Control, Emerging Plant Pests, Golden Nematode, Gypsy Moth, Pink Bollworm, Pseudorabies, Scrapie, and Wildlife Services Operations line items.

Boll Weevil - The cooperative boll weevil eradication program (BWEP) has been highly successful in reducing losses. Nationwide, the FY 2001 program spent approximately $274 million, with 26 percent of that amount provided in Federal cost-share funds. The BWEP has eradicated boll weevil from 5.9 million acres out of nearly 16 million acres of cotton production since 1983. As a result, APHIS and program cooperators are very encouraged with the program's progress and 10 million acres are in active eradication. In FY 2001, the Farm Services Agency issued $94.6 million in low-interest loans to grower foundations to fund startup costs for new eradication programs and operating capital for existing programs. After FY 2002, the need for these loans should begin to decline rapidly.

Biological control - APHIS provides resources for survey, release, and establishment activities to control pests of economic significance using natural enemies. APHIS' National Biological Control Institute supports cooperative pest management partnerships through its competitive grant programs. We approved 35 grants to Federal agencies, State Departments of Agriculture, industry, and universities in FY 2001 to develop and supply educational materials and services and to implement the safe and effective use of biological controls in pest management programs. Just a few of the initiatives included biological control of salt cedar, spotted and diffuse knapweed, imported fire ant, and Asian longhorn beetle (ALB). We also continued our offshore biological control program against the pink hibiscus mealybug and papaya mealybug.

Emerging Plant Pests - APHIS addresses a wide range of plant pest infestations and diseases not covered through ongoing programs. Program activities include delimiting surveys, control or eradication treatments, epidemiological studies, laboratory diagnostics, and parasite releases to combat emerging pests. In FY 2001, we focused on ALB, Japanese beetle, and pine shoot beetle. Our first priority is to prevent the spread of these pests to non-infested areas of the United States. This is an example of where the pest and disease "borders" exist within the U.S., borders that do not match State borders. To further ALB survey, regulatory, and control efforts in New York and Illinois, APHIS spent $29.9 million in emergency funds. Since this emergency program began in 1997, APHIS has drastically reduced ALB populations, thus reducing the risk of spread to uninfested areas.

Golden Nematode (GN) - By conducting a statewide GN survey, this cooperative program enabled the export and interstate shipment of potatoes valued at over $90 million without GN-related phytosanitary restrictions. In FY 2001, APHIS collected 11,323 soil samples from 6,361 acres in 20 New York State counties and found no new GN detections.

Gypsy Moth (GM) - APHIS works to prevent the artificial, long distance movement of the European gypsy moth to uninfested areas of the United States. We conduct survey activities in cooperation with the States to detect and delimit isolated populations outside the generally infested area. During FY 2001, APHIS and cooperators placed approximately 300,000 pest detection and delimitation traps throughout the United States. Our efforts limited major outbreaks of over 640 acres to 4 outside the regulated area which met our performance goal.

Pink bollworm (PBW) - We continued the cooperative PBW sterile release program to protect cotton in the San Joaquin Valley of California. The program trapped 70 native (non-sterile) moths, demonstrating a reduced risk to cotton, compared to the 154 trapped in FY 2000. APHIS produced 800 million sterile moths at the Phoenix, Arizona, rearing facility for incremental releases in the San Joaquin Valley. APHIS also coordinated an extensive PBW survey involving all cotton acreage in New Mexico, Oklahoma, and Texas. Survey results confirmed the absence of PBW in Oklahoma and most of Texas, allowing APHIS to further delimit the regulated area.

Pseudorabies - At the beginning of FY 2001, the United States had 434 pseudorabies quarantined premises.. The program released all but twelve quarantines at the end of FY 2001. Slaughter surveillance continues to play an important role in identifying newly infected herds. Thirty-six States are now participating in Major Packer Surveillance. In FY 2001, the Secretary authorized the transfer of an additional $56.1 million in emergency funds to continue the very successful accelerated program of indemnity, surveillance, vaccination, compliance, and enforcement. As of January 15, 2002, there were no herds under quarantine compared to 1,305 at the beginning of FY 1999 before the accelerated program started. This program is a good example of how monitoring and cooperation from producers for depopulation can eliminate animal disease.

Scrapie - The Voluntary Scrapie Flock Certification Program (VSFCP) monitors participating flocks and certifies those flocks as free of scrapie once they have been in continuous compliance with the program standards for 5 years. As of October 1, 2001, there were 861 flocks enrolled in the program. This represents a 38 percent increase in participation during FY 2001. On August 12, 2001, APHIS published the final rule "Scrapie in Sheep and Goats; Interstate Movement Restrictions and Indemnity Program." The rule requires identification of animals for interstate movement, provides indemnity for destroyed animals, establishes standards for handling infected and exposed flocks and for approving tests and laboratories, and sets standards for the State scrapie control program. This rule will substantially improve APHIS' ability to trace infected and exposed animals which will make it easier to find and clean up flocks.

Wildlife Services - Operations - APHIS provides Federal leadership in managing wildlife conflict. The American people consider wildlife as a valuable public resource even though it can cause damage to agricultural and industrial resources, pose risks to human health and safety, and affect other natural resources. Our responsibility is resolving problems that occur when human activity and wildlife conflict with one another.

The Agency conducted livestock protection activities for approximately 10,000 resource owners in FY 2001 in cooperation with private individuals and State, Federal, and local governments. Aerial operations are an important part of an integrated approach to our activities. This activity is critical, not only for livestock and wildlife protection activities, but also for such operations as wolf capture and relocation, assisting in search and rescue operations, wildlife surveys and

census gathering, and in the aerial distribution of oral rabies vaccine units. APHIS continues to implement the safety recommendations from the 1998 report, *Safety Review, Evaluation, and Recommendations Concerning the USDA, APHIS Wildlife Services Aviation Program.*

In addition to threatening livestock and other agricultural resources, wildlife can pose dangers to human health. Airports report approximately 3,600 wildlife strikes to civil aircraft each year and the U.S. Air Force alone reports more than 2,500 strikes. The requests for assistance in managing wildlife hazards at airports and military air bases continue to increase. In FY 2001, our personnel provided wildlife hazard management assistance to 393 airports. Our wildlife biologists conducted 118 direct assistance and technical assistance projects on these airports for the protection of property, and human safety. Another human health threat is the spread of gray fox and raccoon rabies. In FY 2001, the Secretary transferred $4.2 million in emergency funds to continue the oral rabies vaccination program (ORVP) in the eastern United States and Texas.

APHIS continues to cooperate with various State and Federal agencies to protect reintroduced black-footed ferrets from predators and to monitor for diseases. We continue to assist State and Federal wildlife officials in California and Nevada with protecting Sierra Nevada and Desert bighorn sheep from mountain lion predations. In FY 2001, APHIS began collaborative efforts with State agencies in Georgia, Alabama, and Florida for the Wildlife Management and Game Bird Restoration Program. The major focus of this tri-State, Federal, and private industry program is to identify how professional predation management enhances population numbers and productivity for a variety of ground nesting birds.

Developing and applying scientific methods that benefit agricultural producers and consumers protects the health of animal and plant resources and sustains agricultural ecosystems.

APHIS conducts programs to develop new or improved methods for reducing wildlife/agricultural conflicts, controlling or eradicating harmful plant and animal pests and diseases, and applying new technology to assure that the latest genetically engineered viral vaccines are pure, safe, potent, and effective. We also conduct laboratory tests to support disease and pest control and/or eradication programs. These activities are included under the Biotechnology/Environmental Protection, Veterinary Biologics, Veterinary Diagnostics, and Wildlife Services Methods Development line items.

Biotechnology/Environmental Protection - This program regulates the movement and release of biotechnology products to ensure that they do not pose a threat to agriculture and the environment. APHIS processes permits, notifications, and petitions related to transgenic plants tested in the field and entering the marketplace. In FY 2001, APHIS increased the number of movement and release notifications and permits processed to 2,638 from FY 2000 levels of 2,161. We also processed 8 comprehensive permits which allow numerous requests on one permit. Since the program's inception in 1987, APHIS has deregulated 54 genetically engineered crop varieties, with one new crop deregulated in FY 2001. In December 2001, APHIS had six pending deregulation applications.

APHIS continues to foster international regulatory harmonization for genetically-engineered plants and microorganisms. APHIS held an AgBiotech bilateral meeting with Canada which resulted in a draft Bilateral Agreement on environmental assessment criteria for transgenic plants and future areas of cooperation. APHIS continued a joint project under the Transatlantic Economic Partnership (TEP) aimed at having regulatory authorities in the European Union and the United States accepting common data requirements that affect each other's decisions regarding approval of biotechnology products. Success in the TEP will facilitate a harmonized approval process for genetically modified plants between North America and Europe.

Veterinary Biologics - APHIS strives to prevent the importation, production, and distribution of impure, ineffective, or impotent veterinary biological products in the United States. In FY 2001, APHIS issued 113 product licenses. Veterinarians and animal owners now have 26 new products for the diagnosis, prevention, or treatment of animal diseases. APHIS provided oversight for 2,481 active licensed or permitted products for the control of 197 animal diseases. APHIS approved 17,185 serials of veterinary biologics, while rejecting 27 serials for failing to meet Agency requirements. Our Veterinary Biologics Program also continued efforts to reduce trade barriers that limit the sale of veterinary biological products overseas. Program officials continued technical discussions with representatives of the European and U.S. biologics industries and with regulatory officials from the European Union.

Veterinary Diagnostics - APHIS develops and maintains national and international laboratory diagnostic support for our animal disease prevention, detection, control, and eradication programs. We provide assistance to State and other Federal agencies and laboratories,

educational institutions, and foreign governments in animal disease diagnosis. We also maintain national and international laboratory reference assistance and conduct developmental projects for rapidly advancing technologies.

In FY 2001, our National Veterinary Services Laboratories (NVSL) in Ames, Iowa, conducted tens of thousands of tests on import/export samples, dip samples for pesticide concentration in the cattle tick program, pseudorabies, scrapie, brucellosis, tuberculosis, and BSE samples. We also processed over 1,300 proficiency exams to certify laboratories to conduct testing on equine infectious anemia, bluetongue, Johne's disease, and other diseases and provided training to State, Federal, private, and foreign participants on domestic and foreign animal diseases. In the recent anthrax scare, NVSL processed environmental samples from USDA offices across the U.S., testing for the bacterium. While all samples tested negative, APHIS devoted immediate resources to secure the NVSL facility and to conduct anthrax testing.

Wildlife Services Methods Development - This program provides research for APHIS' Wildlife Services program. Our National Wildlife Research Center (NWRC) provides scientific information for the development and implementation of effective, practical, and socially-acceptable methods for wildlife damage management. With this research, we can protect crops, livestock, natural resources, property, and public health and safety.

Our NWRC national headquarters is on the Foothills Campus of Colorado State University in Fort Collins, Colorado with a 25,000 square foot indoor Animal Research Building and a leased 82,000 square foot Wildlife Science Building on the 43 acre site. During FY 2001, General Services Administration awarded a lease construction contract for an outdoor animal research

complex with projected completion in 2002. We also completed a design and issued bid documents for a new support wing addition to the existing indoor Animal Research Building. Construction of this wing should begin in FY 2002 with occupancy in FY 2003.

NWRC researchers continue to make progress toward developing integrated strategies for non-lethal control in integrated pest management programs. These include contraceptives like vaccines for white-tailed deer and nicarbazin for controlling Canada goose populations. We continue to develop humane wildlife capture devices and to coordinate a national trap testing program to improve animal welfare, meeting our commitment to the European Union.

Inspecting and monitoring animals covered under the Animal Welfare Act and various laws protecting horses ensures humane care and treatment.

APHIS has the responsibility, in addition to protecting agriculture, to ensure that animals receive humane treatment under the law. This responsibility is carried out by our Animal Welfare and Horse Protection Programs.

Animal Welfare - APHIS continues to focus on conducting quality inspections under the Animal Welfare Act (AWA) at USDA licensed and registered facilities. The program's risk-based inspection system concentrates activities on facilities where animal welfare concerns are the greatest. In FY 2001, APHIS hired nine new animal care inspectors -- bringing the total to 82 after reaching a low of 64 in FY 1998 -- boosting inspections by 9.5 percent after a 1.5 percent decrease in FY 2000. We are adding more inspectors in FY 2002 to continue this trend. The

program continues to make improvements in its computer technology with all field personnel producing an easy-to-understand inspection report. We have expanded the use of digital cameras, with field personnel documenting incidents of noncompliance and, when necessary, immediately transmitting their photographs to investigators or headquarters staff or both. As part of the program's e-business improvements, research facilities can now file their annual report online through the Internet. In FY 2001, APHIS inspectors continued a series of specialized training courses on care and handling of elephants, use of animals in research, and basic training for newly hired inspectors.

Horse Protection - APHIS also administers the Horse Protection Act (HPA) of 1970 which prohibits the showing, sale, auction, exhibition, or transport of sored horses. Inspectors monitor shows and sales for compliance and oversee an industry self-regulation system, the Designated Qualified Person (DQP) program which is the primary means of detecting sored horses. Horse Industry Organizations (HIOs) maintaining certified DQP programs participate with APHIS in yearly DQP training seminars and refresher courses. In November 2000, APHIS presented to nine HIOs a draft multi-year operating plan to improve the program. Six of the nine HIOs elected to follow the multi-year plan. Consequently, for the other three, we must prosecute violations of the HPA as Federal cases. At those shows where the HIO agreed to the plan, the respective HIO may assess penalties for violations. Although there remain a few minor problems with enforcement using the multi-year plan, APHIS plans to continue offering it, possibly with minor modifications.

Our FY 2003 Budget Request

The value of American agriculture is enormous. Our bounty is multiplied when you consider the economic benefits of trading our agricultural products overseas for other goods and services. Our agricultural wealth, however, cannot be taken for granted. When people and commodities move freely across our political and pest and disease borders, the security of our agricultural products is threatened. Our only defense, when encouraging free travel and trade, is to safeguard through inspection and surveillance activities. When an agricultural pest or disease gets past our free border, we must take aggressive action to eradicate it. To carry out these activities, we request $782.2 million, an increase of $120.4 million over the adjusted FY 2002 base in our salaries and expenses account. In our building and facilities account, we request $13.2 million, an increase of $6 million over FY 2002.

The challenges facing American farmers and ranchers are increasing due to economic and trade pressures. To help ease these pressures, APHIS programs must safeguard producers from foreign pests and diseases and facilitate and resolve trade barriers and issues. Our first priority is to address expanding trade and travel which could leave us vulnerable - both to disease and pest threats, and to unfair trading practices. We request a $62 million increase to prevent foreign animal diseases such as FMD or BSE from entering the U.S. Our efforts include:

- Enhanced border crossing and cargo inspections;
- Increased surveillance assistance overseas to define international disease borders;
- Additional domestic surveillance throughout the U.S. animal populations for early

detection;

- Increased surveillance of cloven hoofed wildlife that may harbor any diseases;
- Technical assistance to foreign countries;
- Placing emergency managers in States;
- Foreign animal disease testing and ensuring laboratory quality standards;
- Increased reptile and amphibian inspection for exotic ticks; and
- Risk assessments to respond to international and domestic responsibilities for regionalization.

To expand agricultural trade, we must be able to prove that we do not have associated pests or diseases. We request a $25.8 million increase to prove our pest and disease free status with additional surveillance, testing, and information technology support. We must also assure employee safety when using our aircraft. These needs include:

- Enhanced pest detection system to rapidly detect any incursion made past our borders;
- Harmonization activities and licensing requirements for veterinary biologics products;
- Implement safety recommendations for our aerial operations program; and
- Maintain information technology equipment and provide for new program applications and e-Government initiatives.

Equally important is our need to address the eradication and suppression of diseases and pests once they have become established in the U.S. Many of our traditional eradication programs are cooperative in nature and have a long history of support from industries and other stakeholders.

We must continue ongoing emergency programs which are currently being funded by transfers from the CCC, and establish a program to control grasshoppers and Mormon crickets. Our increase includes $166.5 million to:

- Enhance our chronic wasting disease program to include on-farm inspections, sample collections, testing, education, and depopulation;
- Establish a grasshopper/Mormon cricket program to effectively predict and suppress these pests from western Federal, tribal, State, and private range lands;
- Create an ongoing plum pox surveillance and control program to protect stone fruit industries;
- Continue the Medfly program in Mexico and Guatemala to prevent Medflies from moving northward through Mexico to the U.S.;
- Continue eradication efforts for citrus canker in Florida and ALB in Illinois and New York;
- Enhance scrapie surveillance, testing, indemnity, and flock clean up;
- Enhance tuberculosis testing, training, and Mexico eradication efforts; and
- Continue oral rabies vaccination efforts in Texas and several eastern and northeastern States.

Our request contains a decrease of $43.4 million in the boll weevil program where there are fewer acres in active eradication and producers have access to Federal loans to ensure adequate cash flow. We request a net increase of $13.6 million in wildlife services operations to expand work on FMD in wild animals, ensure continued safety of aerial operations and continue rabies

vaccination efforts, while assuming that cooperators will cover a larger share of the cost of wildlife management programs.

We request an increase of $6 million in our buildings and facilities account to maintain our laboratory and inspection stations and to complete construction of the new animal and plant facility on the site currently occupied by the Miami Animal Import Center, Miami, Florida..

Pest and disease eradication programs - I would like to discuss two issues related to the USDA/APHIS activities to control infestations. The first is funding ongoing emergencies and the second is cost sharing responsibility.

Funding ongoing emergencies - In recent years the cost of controlling and eradicating infestations of plant and animal pests and diseases through transfers from the Commodity Credit Corporation has increased significantly, from $24 million in FY 1998 to $335 million in FY 2001. In addition, the number of infestations for which funding was provided and the average cost to combat each infestation have also grown, to the extent that it is not uncommon to have to allocate over $50 million to a single disease in one year.

The $335 million of CCC funding provided in FY 2001, which is equal to 60 percent of the total discretionary appropriation for salaries and expenses in that year represented a major expenditure of Federal resources, without the benefit of Congressional oversight. Further, the Administration continues to be concerned that the use of CCC ongoing programs, that can last five years or more is not consistent with the emergency nature of these funds. An emergency, by definition is an

unexpected event. It follows that if an eradication program, such as citrus canker has been funded since 1998, it can no longer be considered an emergency in FY 2003. Therefore, the Administration has proposed to delete the transfer authority from the APHIS appropriation and substitute amended authority under the Agricultural Risk Protection Act of 2001, that would limit the use of emergency transfers to infestations that were not funded in the previous fiscal year (unexpected needs). At the same time, the FY 2003 discretionary budget includes significant increases to fully fund ongoing eradication programs. These actions will have the following benefits:

- Allow the Congress to be a full participant in the review of eradication requests for ongoing programs, rather than finding out about them after-the-fact.
- Continue to allow the use of CCC for real emergencies.
- Allow for planned, predictable financing of ongoing, long-term eradication programs.

Cost sharing responsibilities - As the Federal commitment to eradicate infestations has increased, it has become critical that we establish flexible criteria to define the responsibility of the affected partners - the Federal government, State and local governments, industry, and growers. Currently, the Federal government often pays over 90 percent of costs, including indemnities to affected producers. Therefore, the Department and the Office of Management and Budget will be establishing how funding responsibility will be allocated, to be published as a rulemaking for public comment by the end of 2002. When these criteria are published, they will:

- Allow State and local governments to plan future budget needs;

real than ever. Accordingly, APHIS has an enormous job to ensure our integrated agricultural safeguarding system can meet the challenges we face. Our focus centers around a more modern, efficient, and integrated system that protects American producers from pest and disease threats at a different kind of border: the area separating pest and disease affected areas from free ones. These borders may be in foreign locations, along our U.S. borders, or within the U.S. We are confident that proving our disease free status will allow our agricultural products to compete effectively in the global market place. We commit to effective use of the resources you entrust to us.

We appreciate all of your past support and look forward to even closer working ties in the future. We are happy to answer any question you may have.

VENEMAN SELECTS BOBBY R. ACORD AS ADMINISTRATOR OF THE ANIMAL AND PLANT HEALTH INSPECTION SERVICE

WASHINGTON, Nov. 7, 2001 - Secretary Ann Veneman today announced the selection of Bobby R. Acord as Administrator for USDA's Animal and Plant Health Inspection Service. In this position, Acord has responsibility for protecting U.S. agricultural health from exotic pests and diseases; administering the Animal Welfare Act; and carrying out wildlife damage management activities.

"Bobby has strong leadership skills that will move APHIS forward as we continue to strengthen our animal and plant protection programs," said Veneman. "He understands the critical role states play as partners in protecting American agriculture against unwanted pests and diseases and will be a trusted steward of these critical programs."

Acord has served as APHIS' Acting Administrator since September 2001 and as Associate Administrator since 1999. Prior to that, he served nearly a decade as Deputy Administrator for APHIS' Wildlife Services program.

As Administrator, Acord will manage programs that are critical to the protection of America's livestock, plants and food supply against unwanted pests and diseases. APHIS spends approximately $800 million annually and employs approximately 7,000 personnel, with nearly 5,000 of those on alert at our nation's borders, ports of entry, and on farms, ensuring the appropriate prevention and preparedness programs are in place to protect U.S. agriculture.

Among other distinctions, Acord has received two Presidential Rank Awards for his contributions to resolving agricultural health problems for USDA. These prestigious awards recognize career government executives who have demonstrated exceptional performance over an extended period of time. Only 5 percent of federal executives are eligible for the award in any given year.

Acord is a graduate of West Virginia University, where he earned his bachelor's degree in animal science in 1966. After receiving his degree, he joined USDA and began a leave of absence to serve 3 years in the U.S. Army Veterinary Service. He returned to USDA after completing his service and has held numerous positions both in the field and at headquarters since that time.

Acord resides in Marshall, Virginia, with his wife, Anna. The Acords have two grown children, a son and daughter.

PROPOSED LANGUAGE CHANGE, CCC AUTHORITY

Mr. BONILLA. Mr. Hawks, I would like to begin with an issue here that is apparently a policy change in the budget request. That is a proposal to delete the Secretary's emergency authority to use the Commodity Credit Corporation, which, as we all know, is CCC, to finance emergency pest and disease outbreaks. This authority has been in place since 1984, and it was this subcommittee that provided this authority. The proposed language would give the Secretary the authority to use CCC only for an emergency that was not funded out of the CCC in the previous fiscal year. I want to learn how this authority would work, so I ask you to indulge me for just a second.

If I understand the proposal correctly, funds to combat the Asian long-horned beetle, which was funded out of CCC in fiscal 2002, would not be eligible for CCC funding under the proposed language in fiscal year 2003. Is that correct?

Mr. HAWKS. Yes, sir, that is correct. The proposal that we presented suggests that after the emergencies are declared, they should be shifted to appropriated funds.

Mr. BONILLA. Would the language allow you to seek funding to combat the longhorn beetle in fiscal year 2004?

Mr. HAWKS. I am going to defer to Mr. Dewhurst on that one.

Mr. DEWHURST. There is money in the budget to deal with the current outbreaks that we know about. If there were new outbreaks in different locations or under different circumstances, I believe we would use the emergency authority to deal with those new outbreaks. I think that is the way the budget is set up.

Mr. BONILLA. So if there was a major outbreak of longhorn beetle in fiscal year 2003, for example, and the cost exceeded the funding levels, this will be appropriated under this proposal. Are you suggesting then that you would have to go to that emergency designation?

Mr. DEWHURST. If we had a new outbreak in a different place, I believe we would use the emergency authority.

What we have in the budget is money for the known outbreaks—Chicago and New York, as I recall. We would use the appropriated money for those concerns.

Mr. BONILLA. I just want to state for the record that this proposal would be a significant change in the way we have responded to pest and disease outbreaks in the past. History shows that the current method of response has worked pretty well so far. USDA is committed to eradicating several pest and disease outbreaks that were declared emergencies by the Secretary, and we will work with you to ensure that you have the resources available to you to complete the job.

This budget proposal is something we definitely want to bring to everyone's attention at this point.

Mr. HAWKS. Mr. Chairman, I would like to add to that, and say thank you for your commitment to help us address those needs that we do have. I certainly appreciate that.

Mr. BONILLA. At this time I am going to yield to Ms. Kaptur.

I want to advise folks that we are expected to have a Journal vote shortly after 10 o'clock. We might have to take a quick break

at that time. I would hope that one of my colleagues can get back here and take the Chair for a moment so we can have as much continuity as possible during this interruption.

Ms. Kaptur.

Ms. KAPTUR. Thank you, Mr. Chairman, very much. Thank you all for your testimony.

Under Secretary Hawks, you struck a real chord with me in the beginning of your testimony where you talk about selling agriculture as a profession. With the new eye that you have on Washington, I would like to invite you to go look at the agriculture exhibit at the American History Museum and see if you were a young person 17 years old, if you would ever consider agriculture as a profession if you looked at it.

I think that as we are redoing some of the buildings here in Washington for agriculture, we need to sell agriculture to the millions of visitors that come here.

You talk about biotech, and we know the plant genetic work that is being done and all of the work. Here is a brochure on ethanol. Now, what is going on around this country to move us into a new emerging future based on agriculture? We have to make this field exciting to the youth of this country, and those exhibits are great historically, but they do not give a sense of the contemporary nature of agriculture.

If you go into the computer exhibits, the kids are all over there, and I think our private companies could be challenged. If you look at what goes on at Epcot Center down in Florida in promoting agriculture through the displays that are there, I would just suggest that as you are wandering around town you familiarize yourself with the turf here.

You have an ally up here on selling agriculture as a profession in its full dimension.

Mr. HAWKS. Ms. Kaptur, I would like to say to you that this is my first cut on this—and we did this collectively, setting these goals. I even suggested that we set that goal of selling farming. Having spent the last 30-odd years—or actually my entire life in production agriculture and never serving in Federal Government until last May, I have a keen interest in selling agriculture as a profession.

I think it is a great profession, I think it is a noble profession, just like a lot of other professions that we have; and I would be delighted to work with you to make sure that we are displaying and exhibiting it in the appropriate manner that actually reflects agriculture today. I think if a lot of younger people who are in college or in high school really understood what agriculture is all about and how it affects the lives and livelihood of every person in the world, that we would have a lot more interest in agriculture; and that is exactly what we intend to try to do. So I am looking forward to working with you in whatever capacity we can.

Ms. KAPTUR. Well, I hope that you go sit down with the head of the Smithsonian and tour those buildings. I hope that as we invest the money in the South Building at agriculture, you think about the way that it speaks to the public.

You know, we had to fight prior to your service to get the farmers market over there on the Mall; and all of a sudden everybody

goes, oh, gee, it is successful, oh, surprise, surprise. Yes, well, those were small steps, but so much more can be done because this whole city is a museum and people learn by coming here.

And so thank you for your receptivity. I think Secretary Veneman probably shares this perspective.

I wanted to say to Mr. Yates that as I listened you referenced farmers markets in your testimony. But if I look at the budget, there are no program increases for two activities important to farmers markets in your budget, the Wholesale Farmers and Alternative Market Development Program and the Payments to States and Possessions Program. I merely point that out to you as we fine-tune the submission through this appropriations process.

It is just amazing some of the work that has been done with farmers markets, and I have always thought the greatest job in the world would be to be in charge of networking all the farmers markets of this country so that the soup produced in North Carolina could end up on the shelves of our local farmers market in Toledo and to provide a real alternate marketing opportunity for a lot of the newer products coming out where the income goes right to the producer.

And I notice, Mr. Hawks, that you are largely a row-crop farmer, although you have many other things in your background. But I have to put in a word for the specialty crop producers here.

I represent both, and I can tell you that some of these farmers market programs adjacent to cities are among the most important ways we can actually get them access to the customer. And so I hope that you might take another look at those programs. If you wish to make any comments on your perspective on farmers markets, I would appreciate it.

Mr. HAWKS. Ms. Kaptur, I certainly appreciate the importance of farmers market; and to share with you, I actually was in specialty crops. I was in vegetable production. I paid my way through college by growing peas, butter beans and snap beans every summer on our farm and selling them at the farmers market in Memphis, Tennessee. So I have a keen interest and an understanding of farmers markets.

After coming back from college while I was starting my row-crop operation, I did the same thing. So I have a keen interest in farmers markets and a great understanding and appreciation for them, as well.

Ms. KAPTUR. And I can tell you from our part of the country, our cattle producers, our pork producers, are really frozen off the shelves of the major supermarkets, and were it not for opportunities to sell through our farmers markets, they couldn't reach the public unless they did it out of their own operation—which is generally in the country, so you don't have as many customers driving by.

I know my time has expired, but I look forward to the next round of questions.

Mr. BONILLA. Thank you, Ms. Kaptur.

We will go to Mr. LaHood and then Mr. Boyd. Mr. LaHood.

HOMELAND SECURITY

Mr. LAHOOD. Let me ask, since it is the favored topic of everyone around here if—have you folks been involved in discussions with Governor Ridge and his staff in his office, if there was some sort of national calamity that took place in our country with respect to food, food supply, origins of food coming in, are you a part of a team of people that has been working on a plan to make sure that the food supply in our country is safe and that you would be working with Governor Ridge?

What have been your activities with his office in securing the food supply of our country if something were to happen?

Mr. HAWKS. Yes, sir, Congressman, we have. Actually, we have, within USDA, a homeland security structure. The Deputy Secretary is the direct interface with Homeland Security, with Governor Ridge's office. Dr. Elsa Murano, the Under Secretary for Food Safety, and I cochair Agriculture's Production and Protection of the Food Supply Council within USDA.

We have numerous working groups working with Governor Ridge in the Office of Homeland Security. I have primarily been working on the border issue; Mr. Acord and myself have both been working very closely with that. Other members of the USDA team have been working on other specific issues.

So I could, go to great length in talking about border issues and what we are doing there if you would care to do that. We do recognize there is a tremendous need for greater coordination and cooperation between our border agencies to make certain that we do keep out of this country the things that we want to keep out of it.

I will share with you that agriculture plays a very vital role in that process, and I do not take lightly the responsibility of excluding harmful plant and animal pests and disease out of this country.

So we are working. We are engaged in that and will be continue to be engaged.

Mr. LAHOOD. Is there a plan in place and can you assure us today that there is a plan in place to make sure that the homeland food supply is safe and secure in the event that somebody tries to—we know there are people that want to do in the United States. We know that the war is being fought not only in our own country, but in other places of the world. But with respect to the food supply, can you tell us today that there is a plan in place and that we are prepared to deal with any kind of an assault on our food supply?

Mr. HAWKS. I can tell you that we do have plans. They are in place. It is our intent to protect the food supply. There is no question about it.

I would like to share with you, on 9–11, that very day before we left our offices, the then-Chief Veterinary Officer of the United States sent out an e-mail that was circulated, and the e-mail said for everyone to heighten their vigilance, because of what happened. And along with that e-mail, he suggested to share it wherever the recipient chose to.

Would you believe that that same afternoon that e-mail had circulated back to me through a veterinarian out in the countryside? So we had plans in place before 9–11. We are obviously continuing

to evaluate our plans in light of the new environment that we are living in today.

Mr. LAHOOD. Has your agency or have your folks had a chance to look at the amendment that was offered in the Senate by Senator Tim Johnson having to do with the sale of livestock 14 days before? And do you have any comments on that in terms of your ability implement it if that were to become law, in terms of really being able to administer that new law; or do you have any thoughts about that amendment and do you support it? What is your feeling about all of that?

Mr. HAWKS. The administration has not taken a position on that particular amendment, and I was in a meeting the other day with some of the administration people that are working directly on it, and the fact was pointed out that we feel like Congress should work its will on some of these.

But I will defer to JoAnn Waterfield, who is involved in the Packers and Stockyards Administration, to talk about the mechanics of administering that.

Mr. LAHOOD. Let me just say one thing. This is an important amendment. And you know as well as I do—that I have a very high regard for Secretary Veneman. I like her very much and she is a friend.

But, you know, one of the criticisms of the USDA has been that they haven't weighed in either in the House or Senate, as these bills have been marked up—now we are talking about farm policy for the next several years, and I would be curious to know at some point how—you folks are going to have to administer this if this becomes law. This is an important change, and I have been hearing from a lot of my people about it, one way or another; and at some point I hope you folks weigh in on this because you are going to have to administer it.

Mr. HAWKS. I will defer to JoAnn to answer about administering it.

JOHNSON AMENDMENT

Ms. WATERFIELD. Yes, obviously we are following the debates on the amendment very closely, and we are paying attention to the language of the bill and also to the debates behind the bill, so that if the amendment is passed and becomes part of the farm bill, we understand as much as we can about what Congress intends to pass.

We will promulgate regulations setting forth how we will interpret the bill if and when the Johnson amendment is incorporated into the statute, so that the industries that we regulate clearly understand what the statute's requirements are. At the time that we promulgate regulations, the industry, of course, will have the opportunity to comment on our interpretation.

Once the regulations are promulgated, though, they will have the force and effect of law. And we, of course, will enforce the law. But at the time that the regulations go into effect, there will be no surprises, so that the industry will understand exactly what control means from USDA's perspective.

Mr. BONILLA. Thank you, Mr. LaHood.

Mr. Boyd.

Mr. BOYD. Thank you, Mr. Chairman.

I want to start by saying, Secretary Hawks, that I have read your biography, and I very closely identify with many things that you have done in your life, not only in the specific tasks that you performed, but of the time in our country that you performed them; and I am very happy that you were there.

I want to start by following up with Mr. LaHood's comments and say that I share the same concerns that he does about the Johnson amendment. I have been talking to my farmers back home; and actually they are very mixed about whether they support it or don't support it. They are not sure, because they don't even understand it.

I think one of the things that concerns me about a statement that I just heard from Ms. Waterfield is that you said "we will interpret what it means after it goes into law." We need more than that. We need to understand what it means before it goes into law, so that we can know how to fix it or whether we ought to do it or not do it. I think maybe that was where Mr. LaHood was going.

Our people are very confused about it. I think many of the Members of Congress are very confused about what it does. Does it inhibit our ability to do the things—contracting, hedging—that we have been doing up to this point or not?

So I would encourage the administration to weigh in as well. No question there. I just wanted to make a follow-up on what Mr. LaHood said.

I would like to ask Mr. Acord a question.

CITRUS CANKER

We have a high level of interest in a little pest that came in through the Miami Airport in the early 1990s, brought in through the APHIS inspection system people. Some tourists brought it in, or some resident—citrus canker.

Would you, Mr. Acord, update this committee from your perspective, on how we are managing in that fight against canker? Are we making progress? Are we losing? What is it costing us? How much more is it going to cost us?

If you would, I would appreciate that.

Mr. ACORD. I would be happy to do that, Mr. Boyd.

The progress we have made in trying to eradicate citrus canker obviously has been slowed by the lawsuits that we have had in Miami-Dade and Broward Counties. This stopped the removal of trees from—within the 1,900-foot barrier that the scientists have told us is necessary to prevent the spread of citrus canker.

Notwithstanding that, we still have the ability to remove infected trees, and this State, through our cooperative program, is doing that. The legislature in Florida, according to the Commissioner of Agriculture, is near passing a bill which would mandate the 1,900-foot barrier, and we would remove trees within that 1,900-foot barrier under State law.

If that law passes, and there are no further court challenges, that removes the major barrier to progressing with the eradication program. As long as we continue to have those trees infected or exposed in the Miami-Dade-Broward County areas, we are going to continue to have a source of infection that will continue to move

up—or potentially move up to the major citrus producing area in Florida.

So our hope is that, through the settlement of the lawsuits or the passage of a State law, that we will get on with that tree removal.

One other concern we have, is continuing the ability to achieve the kind of cooperation that we have with the State; and we have had a good, cooperative relationship with the State.

Mr. BOYD. I want to make sure that the committee understands what the 1,900-foot issue is. Also, I agree with you, I think the legislature is close to codifying that, and that will help us.

Mr. ACORD. Yes, sir.

Mr. BOYD. However, I hear you saying that you think if we get the rule codified that you are optimistic about our battle against canker, and you think it is within our reach in the near term to wipe it out?

Mr. ACORD. I do, near term, it may be an overstatement.

Mr. BOYD. A year?

Mr. ACORD. Within a year we should have the trees removed. We should have the source of inoculum removed, and with good sanitary practices among the growers. I really think it is achievable at that point.

Mr. BOYD. Okay.

Mr. Chairman, I noticed the red light, but could I continue on this issue?

Mr. BONILLA. Go right ahead.

Mr. BOYD. Mr. Acord, it is my understanding that there has been no problem in the commercial grower industry in terms of the 1,900-foot rule.

Mr. ACORD. That's correct.

Mr. BOYD. By the way, 1,900 feet, for the members of the committee that don't know, states when you find one infected tree, you have to draw a circle 1,900 feet around it and destroy the trees within the circle. That is the only way to get rid of it. I understand, 260 acres of producing citrus groves have been destroyed, and our growers have been most cooperative in their efforts to assist the State and the Federal Government in eradicating this.

Can you talk to me about why you think they have been cooperative, and what do you think the cost will be to continue the eradication program? Also, talk to me about the compensation issue.

Mr. ACORD. One of the major reasons the industry has cooperated has been the compensation that they have received for their trees. After all, this is a commercial enterprise. They do have to continue in business, and the only way they can do that is with compensation for the lost trees and the lost income that results from losing those trees. Because the important thing to recognize here is, this is the first—or one of the first—diseases that we have ever had to battle where you remove the host crop.

There is no spray for it. There is no other treatment. You have to remove the trees. So that is taking away the livelihood of the producers.

They have been very cooperative because of the compensation that they have received. Besides that, collectively the industry recognizes that failure to remove those trees represents a threat to the entire industry. It has the potential to devastate the entire State.

On the other hand, the homeowners, over time—those that have so adamantly opposed the removal of the trees, are going to lose those trees anyway. If we only remove the ones that are infected, then it is simply going to spread to the others, and over time they are going to wind up losing those trees. But it is hard to convince people when you are taking a 10-year-old tree out of their yard that we are doing the right thing.

Mr. BOYD. Mr. Acord, assuming that we get the 1,900-foot rule codified quickly or we win the lawsuit, what do you think the cost under the current compensation formula will be on the commercial grower side?

Mr. ACORD. My hope is that we would not have to get into any more commercial compensation. We don't know at this point and don't have an estimate on what that might be over the next year or so. If we are able to get in and remove the trees, we think that any further infection of a commercial grower is going to be minimal. It is simply a guessing game at this point.

Mr. BOYD. Mr. Acord, you are very, very optimistic about that, and as you know, that fund balance is zero now.

Mr. ACORD. That is correct.

Mr. BOYD. There are no unpaid commitments, but the citrus industry folks are very concerned about the future. I would encourage you to meet with them and talk a little bit about this. However, I just don't see how we get through this without some more help, and I just want to make sure that we get you on board with that.

Mr. ACORD. Well, I didn't mean to imply that it is zero. There is—obviously some. It is just very, very difficult at this point to estimate what that might be.

I am well aware of the industry's concern about that, sir, and they never miss an opportunity to make me aware of it.

Mr. BOYD. Thank you very much.

And, Mr. Chairman, that is all I have. But before I quit, I want to associate myself with the comments that you made about the $162 million account. I didn't get into that, but I could ask many questions about that, how it would work mechanically in terms of new canker finds. Would that be a new emergency? Or will that be the old emergency? And which account will it be paid out of?

Also, 162 million to pay for all the invasive pest emergencies of this country for 1 year may not be enough. When you look at what has been done historically, what we have had to pay out of CCC in the last couple of years is about double that. So I would like to associate myself with the opening remarks of the chairman about that way of doing business.

Mr. BONILLA. Thank you, Mr. Boyd. And also with the point you brought up, I think I would like to emphasize the need for us to continue to have that emergency authority to deal with some of these things when they break out. That is what we are talking about here today.

I have a couple of questions remaining, as well, but I would like to go ahead and yield to my friend, Mr. LaHood.

MAD COW DISEASE

Mr. LAHOOD. Let me just ask one other question, Mr. Chairman.

One year ago, your agency, particularly the Secretary, the number one topic was mad cow disease. Is that still a problem in the world, and is it a problem for our country? We haven't heard much about it. I haven't read much about it, and I am not certain if that is because we have eradicated it, the world community has, or if other things have grabbed the headlines.

Mr. HAWKS. Actually, the Department had entered into a contract with Harvard to do a risk assessment on BSE, or mad cow disease, and we issued that report about a month to 6 weeks ago. The finding by the scientific community in a very, very detailed research project was that the risk of mad cow disease in this country was very minimal, and that even in the event that it was here and had been here, it would be stopped.

And there has recently been a GAO report that I am sure you are familiar with, that actually didn't look at it in depth like the scientific study did and had, maybe, some other conclusions that one could draw.

But it is our belief in the Department of Agriculture that the risk assessment that Harvard did—and they are well known for their ability to assess risk—says that there is a very minimal risk for mad cow disease in this country.

Mr. LAHOOD. What is happening in other countries?

Mr. HAWKS. There are other countries that did not implement the same things that we did with feed bans, with various processes to mitigate for mad cow disease that are actually showing up. As you are familiar, I am sure, Japan recently had mad cow disease there. It is showing up in other countries as well.

But as I said, we feel that this country has a very minimal risk. We have actually strengthened and increased surveillance. As you are aware, the only way right now that we have to test for this is to test the brains of a dead animal.

We are increasing that surveillance. We are increasing the surveillance on farms. We are actually doubling our surveillance. I think we have done at least 500 now off of farms, and that is the highest risk that we have there.

There are a lot of issues involved in this, and when you start looking at it and start trying to mitigate all of these issues, you come up with other issues. So we have to be very careful on how we approach this, but we think the surveillance that we are doing for the most likely places is a good way to determine whether we do or don't have it.

But as I said, it is a very minimal risk, at best.

Mr. LAHOOD. Congratulations. This was obviously a hot topic a year or so ago, and obviously somebody has been doing a lot of good work at the Department.

Let me just go back to the issue that I raised before, Ms. Waterfield. And, Mr. Secretary, I will just make this point. You can respond to it if you want.

I think there are two issues here with this amendment. One is the policy; the other is the money. I mean, our committee has the responsibility for appropriating money, and I guess what I am wondering is—what do you need to look at is, if this becomes law, what does it mean in terms of your agency, in terms of inspection and

the relationship that you have with the packers and with the livestock people?

I mean, this is a significant change in the way this kind of operation is carried out, the selling of livestock and the packers and so forth, and that is the issue that I want to raise—not only the policy part of it but the money part of it.

It looks to me like, in your budget, there hasn't been a dramatic increase in inspections at places where livestock are slaughtered, and so I really think you need to look at this from both points of view. The policy point of view which—as Mr. Boyd said, in my area it is the same.

There is a conflict, you know. People are trying to figure out if it really does make good sense in terms of policy, but in terms of your point of view, I think it is going to add additional cost. But—you know, you are smarter than I am about that, but I think you need to look at that.

Thank you, Mr. Chairman.

WILDLIFE SERVICES

Mr. BONILLA. Thank you, Mr. LaHood.

Mr. Acord, I want to talk about Wildlife Services for a second. That has always been an issue that is not only important to the country, but important to my area. I believe it was Mr. Butler that came in the other day and emphasized the point that this is not just a problem for rural areas. A lot of urban areas out there have problems with animals—for example birds getting in the way of planes at JFK Airport. Did you bring the picture of the coyote on the subway?

Mr. HAWKS. I brought the picture.

Mr. BONILLA. That coyote on the subway, that famous picture will be used down the road, Mr. Hawks, when I am sure there will be another effort to try to cut this line item as we move this bill forward. Some people don't understand that this is not just a rural problem.

That coyote on the subway is a clear example of the problem. We will probably get it blown up, and no matter what subway they might think it is, we are going to tell them it was on their subway.

Mr. LAHOOD. Do you think that picture will be on the wall in this room, Mr. Chairman?

Mr. BONILLA. Well, I would like to honestly explore the possibility. If you can get that picture blown up, I would like to have that picture on this wall. Let us do that if it is possible.

Mr. HAWKS. Mr. Chairman, I encourage you to do that, and we will take charge of getting it blown up for you.

Mr. BONILLA. I have a question on Wildlife Services and cooperators in different States paying their fair share of program costs. In our State of Texas, for example, we are funding nearly 50 percent more than the Federal Government's share of Wildlife Services, and we are glad to do that. We know it is important.

Understanding that the budget request is going to try to count on more of this in the future, my question is, how much of a reduction is there in the Wildlife Services request that reflects the move for cooperators to pick up a larger share of the program? Are the

funds available in the budget request to match the Federal Government's share up to the level of the cooperator's share, Mr. Acord?

Mr. ACORD. No, sir. They are not in terms of the last part of your question.

The budget request does, as you have suggested, contemplate the cooperators providing additional funds. There is about $9 million—in terms of the reduction, that the cooperators would be expected to pick up.

The cooperative share that is paid by the States around the country is very, very uneven. Texas happens to be one of those great States that, has a very, very high cooperative share on the State side. There are others that don't have quite that high level, but we simply don't have the funds to equalize the cooperative cost share all across the country.

Mr. BONILLA. Well, that is something that we are going to have to work on—not just in my area, but we are going to have to work on that nationwide to make sure that these folks do have the resources they need to handle this problem.

Mr. ACORD. Well, it is a program that while it does have some controversy associated with it, I don't think there is a group of men and women that work any harder in the government anywhere or that are more ingenious or more creative when it comes to finding solutions to difficult problems. And we have always appreciated your support for the Wildlife Services program.

Mr. BONILLA. I am honestly baffled year in and year out when some people do try to add controversy to this issue, because these are some of the most thoughtful, humane people behind these programs. They are carrying out the program for the right reasons and not for some of the reasons that people are just dreaming up in their heads to try to create controversy.

Mr. Boyd.

INVASIVE SPECIES

Mr. BOYD. Thank you, Mr. Chairman. I want to say to you all that I believe there is an increase in requests for salaries and expenses on the APHIS side which recognizes the whole problem we have with invasive pests. I know we got some money in the antiterrorism supplemental, and so I just want to tell you all that this member, and I am sure other members of the subcommittee also, want to be supportive and helpful.

We know that we starve you and expect you to get the job done at places like Miami and the other places around the country where we have this problem. I just wanted to compliment you for doing the best you could on the budget side and want to offer our support; and I really don't have a question.

Thank you, Mr. Chairman.

Mr. BONILLA. Thank you. Mr. Boyd, did you have anything further? Mr. LaHood?

Mr. LAHOOD. No, I don't.

Mr. BONILLA. My understanding is Ms. Kaptur is going to return with additional questions. She will be returning shortly, as well as Mrs. Emerson from Missouri who is trying to juggle a couple of things on the floor. We do expect a vote within about 6 or 7 min-

utes. If you all would be patient with us, we would appreciate that. Mr. Boyd?

Mr. BOYD. Mr. Chairman, do you want to fill time?

Mr. BONILLA. If you have questions, we would be delighted to hear them.

AERIAL OPERATIONS

Mr. BOYD. Something has come to my attention that—we have got these experts here, we can always find out good additional information.

But APHIS is involved in the safety of aerial operations, with the birds around the airports; does that make sense? Can you talk to me a little bit about that and what kind of problem that is. And I understand that several States ranked pretty high in bird strikes. And how many people do we have, and what kind of people do we need or resources do we need? How do we fight this problem?

Mr. ACORD. There have always been problems with birds and airplanes in the same airspace. This is a growing problem, around the country. We started out probably with one of our first big programs at Kennedy Airport with gulls getting into the airspace in one particular runway. We have continued to work with the Air Line Pilots Association, with States, with State wildlife agencies, to find solutions to these problems, because oftentimes airports seem to be located near water. They seem to be located near landfills, or landfills are located near the airports because of the way the land use patterns are, and it creates an inherent problem.

One of the things we have tried to do is work with the airline industry to develop methods of control in and around airports, to do research on how the environment impacts the birds—what kind of birds does it attract, the height of the grass in and around the airport and other environmental factors that might influence the birds' presence in and around airports.

Miami happens to be an airport that has a particular problem.

We are continuing to try to work with the airport authority in most of the situations where they request it in order to enter into a monitoring program and an assistance program where the birds can be scared or there can be other environmental modifications around an airport that would prevent the birds from wanting to congregate there.

Most of this work is funded by the airport authority; it is done cooperatively with them. The issue becomes the research and who funds the research, and we have received money from FAA.

We work cooperatively with FAA as well. We maintain the database for FAA on bird strikes.

But it is not just birds. It is other wildlife. In some cases, deer get into jet engines, and it doesn't take much imagination to figure out what happens there. So we work on all wildlife, not just birds.

Mr. BOYD. It sounds like cubed venison to me.

Okay. Is there anything we need to do? I mean, the only thing I can offer is that we have a lot of hunters at home. If you provide the planes——

Mr. ACORD. In today's environment, anyone around an airport with a gun is going to have great difficulty. So that is why they

are looking for someone with a security clearance to get on an airport to perform this work.

Mr. BOYD. Thank you, Mr. Acord.

Mr. BONILLA. Thank you, Mr. Boyd.

FEDERAL SEED PROGRAM

Mr. Hawks, the AMS Federal Seed Act program regulates agricultural and vegetable seed moving in interstate commerce. It prohibits false labeling in advertising of seed to ensure farmers and consumers can purchase the correct variety of seed. Seed shipments are sampled by State departments of agriculture and apparent violations of the act are sent to AMS for regulatory action. The Seed Act budget is $1.3 million in 2002.

My question is directed to Mr. Yates. You are requesting $1.1 million in increases for your Federal Seed Act program. If approved, this increase would almost double the size of the program.

Tell us why you are requesting such a significant change and what the benefits of that increase will be to agriculture in this country.

Mr. YATES. Thank you, Mr. Chairman. This is critically important.

Our seed program for the last 20 years has not had any additional appropriations. In fact, the appropriations have decreased over the last 20 years. And so we have not filled positions of people that have retired, and the equipment that we are operating with today is 20 years old—not only our seed testing equipment, but also our computer equipment that we use to track all of the violations and all of the certifications of seed. This is really important for agriculture, because we market 30 percent of the seed that we produce in the United States in the international marketplace.

Another piece of this is that we have to have our seed lab accredited. Accreditation is critically important to where we are recognized in the international marketplace and where we have the ability to move our seed, as well as being able to work with our State partners and make sure that they are considered accredited also. That is the main reason that we have asked for this increase.

Mr. BONILLA. Folks, the bells have just gone off for a vote. We will take a 5-minute break and resume the hearing when we are able to return. Mrs. Emerson will likely be the first one to resume questioning.

We will take a very brief break, and we will be back with you.

Mr. Boyd, did you have—I am sorry. Did you have——

Mr. BOYD. Can I?

Mr. BONILLA. Absolutely.

BOLL WEEVIL

Mr. BOYD. Thank you. One of the programs that the chairman and this member both are interested in is the boll weevil eradication program, and I notice a significant decrease in the budget request.

Do we have good news there, that the reduction is because we don't have anymore boll weevils to eradicate, or the bad news is that we just are refusing to do it?

Mr. HAWKS. Mr. Boyd, obviously being from Mississippi, the Boll Weevil Eradication Program is very important to me as well. The program has been very successful. We are moving into different phases of the program now. Actually, the cooperators are picking up more of the expense of that program, but as we move forward into the later phases of the program, there are actually less demands on that program.

Mr. BOYD. Thank you very much. It has been a very successful program. Thank you.

Mr. BONILLA. Thank you for bringing that up, Mr. Boyd. You are right, that is a very, very big deal for my State as well. At this time, we will take a few minutes break and we will return.

[Recess.]

DEBARKING

Mrs. EMERSON [presiding]. I will reconvene the hearing. Thanks for being here. Sorry I missed the beginning of your testimony. I have an interesting question, and one that I am most concerned about. It has to do with hardwood debarking. It is my understanding that APHIS is going to be supporting the position of the wood products industry that would have the debarking requirement deleted from proposed International Plant Protection Commission wood packing regulations. Given the fact that I have 1.1 million acres of Mark Twain National Forest, and this is critical to my district and the thousands of individuals who are employed in the wood packing and related industries, plus my little bitty sawmill owners, I would like to hear about your support for this. Hopefully you support this.

Mr. HAWKS. Yes, ma'am. Ms. Emerson, we did meet last week with your constituents, I think last week or week before last, to have a discussion about that, and the fact is there are some proposals before the IPPC now. Actually Rich Dunkle, who is sitting right behind me, is our representative to that committee, and certainly he is working with his counterparts in both Mexico and Canada to try to have a unified voice toward that, and I can share with you people think that this guy must have done everything in the world.

But I am a former owner of one of those little sawmills as well, and not only an owner of the sawmill, I worked at that sawmill. So I certainly understand and appreciate your concerns there.

Mrs. EMERSON. I hope it all works out, because the people who are really impacted in my district are those whose yearly incomes may be 7, 8, 9, $10,000 maximum. To see their success pulled out from under them would be devastating. So I appreciate that.

CHRONIC WASTING DISEASE

Let me ask you another question that we are concerned about within the Missouri Department of Agriculture. It has to do with the potential for an outbreak of chronic wasting disease in captive elk herds, and I am told CWD is readily transmittable to deer. I would like to know what you all are doing to try to stop the spread of chronic wasting disease.

Mr. HAWKS. I will answer that, and then I will turn to the real expert as well. We are in the process right now. We got emergency

funding for the depopulation of those elk herds that have been diagnosed with chronic wasting disease that has been going on for probably about a month now. I personally got involved, as well as the Deputy Secretary in that process, because it concerns me as well.

And I think as you said that there is a possibility of it transmitting to white-tailed deer. So that is obviously something that I am very interested in and very concerned about, and I will ask Mr. Acord to give you more detail.

Mrs. EMERSON. Thank you Mr. Hawks.

Mr. ACORD. Ms. Emerson, as Mr. Hawks indicated, we have an emergency program underway to depopulate those farm-raised elk that have been found to have chronic wasting disease in those herds, and we have also taken out the remainder of the herd because of their having been exposed. The major focus of that program has been in Colorado, but as we begin to trace out other animals that have interacted with those herds, we expect to find others in other parts of the country.

We are working cooperatively with the State Departments of Wildlife to assist with the laboratory diagnosis of the samples that have been submitted from hunter harvest sampling. You probably are aware that just this week, there were three deer confirmed in Wisconsin as having chronic wasting disease.

It is a concern to us. We certainly want to make sure that we continue to focus on the farm-raised elk and deer, and that we continue to assist the States with the survey of the disease in the wild populations so that we have knowledge of the distribution of the disease in the country. The work so far is concentrating on those farm-raised animals that are in Colorado, a herd in Oklahoma, and another in Nebraska.

Mrs. EMERSON. Do you feel you have the necessary resources to do the job?

Mr. ACORD. The difficulty right now is we do not know how big the job is. The more surveillance that we do, the more we are apt to find; we have the resources for the job that we now know about. We have the request in for an increase to deal with next year, but the more we learn, the more we may find.

Mrs. EMERSON. I appreciate that. Thank you, Mr. Acord. My time is up, and I will yield to my colleague from Ohio.

Ms. KAPTUR. I thank the Chairlady very much, and I wanted to just float an idea, Under Secretary Hawks, and see if you consider this within your purview at MRP. Though the food and nutrition service is not under your jurisdiction this year, we are being asked to appropriate over $10½ billion for purchases of commodities that go into our school breakfast and lunch programs.

Under the AMFS, I think you have a request for about $700 million for supplemental commodities that are brought for various reasons for market stability and that are incorporated into the school breakfast and lunch programs. But as you think about the concept of marketing, let me give you a specific situation from my own State, where I think the Department of Agriculture needs to help the States meet the farmers who could provide the food into the school breakfast and lunch programs. What has been happening is, in many places where we have farmers producing product, whether

it is apples or beef or chickens, which could be made into Chicken McNuggets, the problem often is that the farmers are not organized in a manner to bid on the State contracts.

So in the State of Ohio, for example, the contract for the food programs comes through Department of Education, which really doesn't talk to the State Department of Agriculture and there is a misfire. I think that that probably happens in many places in the country. I had a group of farmers in my office yesterday. They were up here with the land grant institutions, and many of them were talking about what happens inside those cafeterias and how the kids do not eat the proper food. They are drinking pop, they are not drinking orange juice.

I had mothers in my office yesterday talking about how children are refusing orange juice in droves in Ohio because they do not know what it is. This is in the rural communities. This is not to say, that it is not going on in urban areas. This is out in the rural areas. What is happening to our children's diet? We know one of the big problems we face is obesity among our children, improper exercise and improper diet, and though you probably do not see this as your role, I would encourage you to look at that 10.5 billion dollars and see, perhaps, in a demonstration basis, with the nutrition service, how we can have farmers working with our local school systems providing that food.

Farmers are the best stewards we have. They understand the nutritional content of food and there is a huge divorce going on between the ways these State Departments of Education, whoever is buying the food and what happens with our local agricultural communities.

So it is not a problem you can solve overnight, but really you need to have some discussions at the highest levels and you will find what USDA has been doing in this regard is very small.

Mr. HAWKS. Thank you, Ms. Kaptur. You are exactly right, and we do have projects going on now that address that. I had a group in my office within the last few months and we were talking about this very situation, and I am going to turn to Mr. Yates to talk to you in depth, I think, about that, because he is much more familiar with it because it is operated out of his mission area, but I agree with you that we need to have that connection.

LOCAL FOOD PURCHASES

Mr. YATES. Thank you. It is an important piece which we have been working on, and you may be correct that we could do more and do a better job because it is critically important to small farmers that they have the ability and the opportunity to market their product where everybody else markets it. We have had a number of programs going on that are working with local communities and with school districts and educating them that there is product at home. You can buy it here.

And so we will take your suggestions seriously and look into what we can do to improve the fate of the small farmer, being able to move their product into the purchases that are made and into this pot of money that is there to buy agricultural products.

Ms. KAPTUR. In some cases, processing is needed.

Mr. YATES. That is correct.

Ms. KAPTUR. In other cases, for instance, in Ohio, Congressman Hall came to me a few years ago. There was a problem because the school systems in Ohio, the Department of Education in Ohio, wouldn't buy apples from Ohio apple producers because somebody had written some contract that the kids would only eat applesauce and not fresh apples or some ridiculous thing, and we had to get into that. I thought this is unbelievable.

The whole system fights against working with our local farmers and welcoming them into the supply chain and making it easy. I do not understand what is going on there, but it is pretty serious when you have got $10½ billion out there. That is a significant segment of the market and we need to connect our farmers to that.

I just might mention, and I know this round is up, but that in two other programs, the women, infants and children farmer markets program and senior farmer market nutrition programs, there are no funds provided in the administration's budget. I mentioned this to the Secretary, and I do not appreciate that because I am a big advocate of those programs. But I can tell you they are not only good for the recipients and the buyers, but they are superb for farmers because it is direct cash income into their operations. There is a fault line in agriculture between the really big producers and between the smaller and medium-sized producers. For the smaller and medium producers, this is the difference between making it into the next fiscal year and not.

I just, again, would draw your attention to those programs because they really do directly provide income to farmers who cannot find their way to the shelf at the way the grocery industry is structured today.

So, again, those are programs that I am just rising to raise consciousness here with every single top level person who comes before us. They really do help farmers survive. Their operation survive in communities like mine, and we have lost so many. We have the last generation of farmers out there. I am talking to the kids and I am concerned about what our communities are going to look like 40 years from now, and so I want to use every tool at the Department of Agriculture to help these folks survive and thrive.

Mr. YATES. I appreciate that. I oversaw the farmers market WIC program in California, so I understand what it can do, not only for farmers, but also for the people who need help. It is a very successful program, and we will certainly take your comments to heart and look at this to see if we can find a way that we can improve small agriculture out there.

Ms. KAPTUR. Thank you.

ANIMAL WELFARE ACT

Mrs. EMERSON. Mr. Hawks, you are new to this job but some of the proposals in your budget request are not. Your testimony indicates that legislation will be submitted to recover about $34 million more in user fees to recover the cost of new license fees in the packers and stockyards administration, additional license fees for facilities regulated under the Animal Welfare Act, and additional grain inspection fees for grain standards.

Obviously, we here in Congress would need time to review the proposal, hold hearings, pass legislation in both bodies, and then

conference before a bill could be signed into law. Has this legislation been drafted yet, or if not, when do you plan on submitting it to Congress?

Mr. HAWKS. I actually do not know whether the legislation has been drafted. JoAnn, can you address that, or Stephen?

LICENSING FEES

Ms. WATERFIELD. The legislation for packers and stockyards licensing fees has been drafted. It is in the clearance process in the Department.

Mrs. EMERSON. That portion of it has been drafted and then it will be submitted to the agriculture committee?

Ms. WATERFIELD. Yes.

Mrs. EMERSON. Okay. Do you have any sense on the timing for the other pieces?

Mr. DEWHURST. The other is the Animal and Plant Health Inspection Service. I think the status is the same. I think the legislation has been drafted. It is working its way through the process.

Mrs. EMERSON. As well as additional grain and inspection fees for grain standards?

Ms. WATERFIELD. My understanding is the legislation for the grain standards has already been submitted.

Mrs. EMERSON. Okay. I appreciate that. Thank you very much. It is important for us to look over that if we want to get it done in a fairly rapid way. You know how the process up here works. It can take a bit of time.

Let me direct the next question to you, Ms. Waterfield. Your budget request includes a total of about $3.4 million for various information technology and biotechnology initiatives that would enhance GIPSA's capabilities to conduct its work.

This represents almost half of your total increase. Can you tell the committee how these technological enhancements would improve your work product and how American agriculture would also benefit?

E–COMMERCE

Ms. WATERFIELD. The majority of the increases that you just mentioned are for e-commerce. It is to increase our ability to communicate with the constituents that we serve. Right now, the majority of the work that we do is done with a traditional paper trail. What we want to do is increase our ability to move the information that we have electronically on both sides of our house, both with the grain work that we do and with the work that we do in the livestock and packing industries. Most of the people that we serve and regulate have capabilities to communicate with us electronically. Unfortunately, we do not have the capabilities to communicate with them electronically. What we do have right now is a simple Web site. What we need to have is the ability to give and receive information electronically.

On the grain side, we are just starting to have the ability to transmit documents from multiple sites. So like documents that will facilitate the shipment of grain from multiple sites all the way to the ship, we want to increase our ability to do that.

On the packers and stockyard side, we have annual reports that we collect. We have postings that we do with stockyards. We have all kinds of information that we move back and forth. We have investigators stationed throughout the country that are constantly out in packing houses, and auction markets. We need to be able to move information to them immediately, so they have instant access, and the only way that we can do that is to upgrade our computer systems, and this is going to take a substantial amount of funding.

On the biotech side we need $450,000 in order to update and keep our new facility in Kansas City up to date so that we can provide testing on lab kits and proficiency testing for laboratories that the industry uses to provide services to itself.

Mrs. EMERSON. How long you think it will take, at least on the packers and stockyards part, to get your upgrades or enhancements completed?

Ms. WATERFIELD. The time line right now is to complete most of those by the end of fiscal year 2003, I think, but it is an ongoing process, so we do the best that we can with the current funding that we have.

Mrs. EMERSON. Is the system really pretty obsolete at this point in time?

Ms. WATERFIELD. We have some national databases. We have three regional offices. Some of those databases are local. What happens with some of them is that they have to send it overnight. So we have a national database in DC, with local databases in the regional offices, so it is very cumbersome. What is most difficult is that we have resident agents in 38 different locations, and it takes them a long time to get information from the computers.

They have to call back to our offices, which means that we have to keep our offices staffed with people able to give them information, which means that we cannot send those people out to do investigations. And as you know, we have less than 200 people to police a huge industry, so we do the best we can with limited resources.

Mrs. EMERSON. But you feel pretty confident that the plan you all have put together will solve the challenges that you presently have?

Ms. WATERFIELD. Yes. One of the things that GIPSA did this year was to consolidate our information technology staff on the grain side and the packer side to make the best use of the resources we have. We are constantly looking for ways to increase our efficiency.

Mrs. EMERSON. I wish you the best of luck. I yield back to Ms. Kaptur.

Ms. KAPTUR. Thank you very much. I would like to continue on the AMS front here. I understand that the Department of Agriculture currently holds about 900 million pounds of nonfat dry milk as a part of its price support operations, which is about a 2-year supply or 2 years' production of milk, and I know it costs something to maintain that. I wonder if someone in the audience might be able to give us that number; but my real question is, does the Department, if you are anticipating further acquisition of such product, have the ability to contract with processors to get the milk

in another form such as nonfat cheese, for example, or low fat cheese, that we could use in our food assistance programs?

Mr. HAWKS. I personally do not feel that comfortable answering this question because that is clearly one that is handled by the Farm and Foreign Agricultural Services. They handle the price support end of it. We are not involved with that, but I think Mr. Dewhurst would probably be the appropriate person to address that.

Mr. DEWHURST. Well, you are right. We have a huge supply of nonfat dry milk in storage in Kansas City. I did not bring that number, but I can certainly provide it for the record, but we have large amounts of nonfat dry milk and sugar.

[The information follows:]

CCC COMMODITY INVENTORY NONFAT DRY MILK AND SUGAR—March 1, 2002

(Millions of pounds)

Commodity	Amount
Nonfat dry milk	914.7
Refined sugar	181.1
Raw cane sugar	588.2

Ms. KAPTUR. You are saying that from a departmental standpoint, the people doing this are not thinking about what you all think about in terms of marketing, and so we have got to look at this one right, and one thing I do know the kids eat in the school is cheese on pizza, they will eat that, and it just seems to me it would be very interesting to see what that storage number is.

FOOD PURCHASES AND THE SMALL FARMER

Similarly let me ask, I believe you purchase 683 million pounds of fruits and vegetables for the food assistance programs at a cost of about $340 million. My questions really are, if anyone could enlighten us on where you buy, whether it is from commodity brokers, wholesalers and how the individual farmers fit into this purchase process.

Mr. YATES. Once we decide by analysis that there is some agricultural entity with an oversupply, an economic problem, we then go out to publish that need for bids, and so everyone who is in that commodity has the opportunity to bid on that, providing it meets the specifications. So those bids come forward and we select the lowest bid for the commodity. I don't know if that totally answers your question.

Ms. KAPTUR. Well, I am very curious, administrator Yates, in terms of how do individual farmers learn about these, and do they bid and what does the history show. Maybe you could provide this to the record. Are we basically getting commodity brokers or are we getting wholesalers? Are we getting individual farmers to bid into this? I don't know at what quantity you ask a supplier to provide you product, but again, this is an income stream that is out there for our farmers. My question is how much of it is actually getting to them directly as opposed to indirectly?

Mr. YATES. When we put out a bid, there will be multiple cities that this product is going to be supplied to, and so each location

has to be individually bid. Most of these bids, I will grant you, come from maybe a packing house where you will have multiple growers that supply this packing house. So it does get down to smaller growers through this larger packing house, but if you are taking most of the meat purchases, these are rather large purchases, and so it basically has to be a rather large company. We do deal with minority purchasers and try to help them through this process and be able to be a part of it.

The small farmer issue—I think that most of that is done through cooperatives and bids that would come from a packer or a middleman that deals with their product.

Ms. KAPTUR. Is there a minimum volume limit that is established in the contract?

Mr. YATES. I would be glad to check on that. I don't know that answer right offhand.

[The information follows:]

The minimum volume purchased is a truckload quantity—generally 36,000–48,000 pounds. AMS normally does not buy directly from farmers because most commodities are at least minimally processed to meet recipient requests. For example, the program buys large quantities of ground beef and canned vegetables. While the majority of purchases are from businesses that pack and process commodities, many of these firms procure raw materials from independent small farmers. For example, while we purchase poultry products from some of the largest poultry processing firms in the country, small farmers provide the chickens to the processor. In addition, during fiscal year 2001, approximately 50 percent of AMS purchases were from small businesses.

Ms. KAPTUR. Let me use one example. I am just trying to illustrate a point here because of the situation facing so many of our producers both on the livestock side and specialty crops and so forth, but just on livestock, in my part of the country, now we do not have the big feed lots like they do in the West, but the life of an individual beef producer cattleman in northwest Ohio is totally controlled by IBP over in Indiana, for the most part, and they can choose to welcome them that day or not because we do not have processing capability, and if they drive their animals across the State line and they try to get them slaughtered and they say sorry, we just closed the door, they have to drive them back, and they cannot get their product on the shelf of the local supermarket because the supermarkets tend to follow the same pattern of buying from the big processor.

We are having a really giant struggle to try to find a way to bring really quality beef to the market because the processing capabilities are there no longer and this is happening across our country. We are not the only place that this happens, and so we have very good product raised by our individual companies, and so my question to you, I am looking for other ways to move to product into the market to help these people survive.

They have got to meet the quality, they have got to meet the price and all the rest which they can do, but I have just seen the system move to a point where we have these large processing facilities that control so much, and they basically shut out individual producers.

If there are co-ops, I know they exist in some parts of the country, that is one way up the chain, but Ohio, we haven't followed the co-op route as much. We are much more into small enterprise

individual enterprise, and I am looking for ways to help those folks bid on product.

So that is kind of where I am coming from. So whether it is fruit and vegetables, whether it is meat, whether it is milk, whatever, we will ask several questions for the record so we can see what is happening. It doesn't hurt us to look at what is happening out there in the system and then ask some questions about small and medium size enterprise and minority enterprise.

Women are moving into many of these specialty crop areas. How do we get them information so at least they can think about how to bid?

Mr. YATES. One of the interesting things I am very familiar with, and I was in the cattle business for 20 years myself, so I understand the issue you raise, but in the local area where I live in California, it is the center of the raisin industry for the United States, and the average raisin grower in the Nation is 30 acres. All of them happen to be right there within a 50-mile radius of Fresno. So the average size is 30 acres, and we have bought numerous product in the last number of years, including some this year, through a packer that concentrates this product to prepare it for shipment. The small grower in that instance is benefiting greatly from the ability to move product through the school lunch program and the EFE program.

Ms. KAPTUR. Well, I have to say that I am considering some type of small farmer producer set aside. I want to see what the numbers show us, though, and we will submit more questions to the record on it. Thank you for thinking with us on this.

Mr. YATES. I appreciate that.

[The information follows:]

During fiscal year 2001, AMS spent more than $1 billion on commodities. Of that amount, approximately 50 percent was awarded to small businesses, with firms participating in the Small Business Administration's 8(a) Program receiving 6 percent and Women-owned and Historically Under-utilized Business Zone businesses receiving almost 1 percent each.

Ms. KAPTUR. My time is up.

Mr. BONILLA [presiding]. Ms. Kaptur, if you have additional questions, you may proceed. My understanding is that there no other members have any remaining questions.

Ms. KAPTUR. All right. Thank you, Mr. Chairman, very much. I am trying not to make it too long here.

We have several questions for the record, but let me ask you, Under Secretary Hawks, what role do you see yourself having in the marketing of biofuels? Here we are engaged in Enduring Freedom, this long and protracted effort, and our politics, in my opinion, totally tied to, unfortunately, the acquisition of oil from very undemocratic places in the world, a half of our trade deficit now centered in the import of oil from such democratic places, put that in quotes, as Saudi Arabia and Kuwait and the United Arab Emirates, even Iraq, which is such a dilemma, isn't it?

I am just such, I am almost a zealot in the area of soy diesel and ethanol and any kind of cellulosic biofuel that we could produce. What do you see your role in helping this industry grow and prosper in our country in providing new income streams to our farmers?

Mr. HAWKS. In the position that I hold here, Under Secretary for Marketing and Regulatory Programs, and it is somewhat limited, but the tremendous asset that we have here and an opportunity that I see for us is within our market promotion and research programs that we oversee within AMS. We can work with those commodity organizations there to try to facilitate the development and expansion of areas like ethanol, like biodiesel, where a lot of research has been done within those market promotion programs. But then it would become a wider discussion, I think, within USDA, and it would probably be more appropriate to address with rural development.

I can see rural development having tremendous opportunities there as well, and if it is a broad overarching question, then it goes to a governmentwide question, I would say, with the Department of Energy in conjunction with USDA. There are a lot of discussions going on, a lot of things going on, and where Mr. Dewhurst has the overall perspective from the Department of Agriculture, he very well may want to address some of these.

Mr. DEWHURST. I think in the previous hearing we talked about providing you all with some crosscuts of the issue areas, and biofuels is one of them. We have some numbers and description that we will lay out for you showing what our various agencies do in that area.

With regards to biofuels in the Department, there is work done at ARS and the CSREES in the form of research. There is a program in the CCC that subsidizes ethanol production. There is some work in the Forest Service and a number of other agencies, all overseen by a structure in the Department that looks at the question of energy policy and biofuels. So we will provide you with that information and be glad to.

[The information follows:]

UNITED STATES DEPARTMENT OF AGRICULTURE
Biobased Products and Bioenergy Programs
Alternative Uses -- Nonfood
(Dollars in Thousands)

Activity	2001 Actual	2002 Estimate	2003 Budget
Agricultural Research Service	$48,853	$64,217	$67,392
Cooperative State Research, Education, and Extension Service	22,987	12,295	14,245
Forest Service	12,450	12,450	17,450
Natural Resources Conservation Service	7,059	7,539	728
Office of the Chief Economist	612	612	634
Office of Procurement and Property Management	65	67	69
Rural Development	272	0	2,000
Total, Biobased Products/Bioenergy, excluding CCC	**92,298**	**97,180**	**102,518**
Commodity Credit Corporation	40,684	150,000	0
Total, Biobased Products/Bioenergy	**132,982**	**247,180**	**102,518**

UNITED STATES DEPARTMENT OF AGRICULTURE

FY 2002 Estimate and FY 2003 Budget

Programs Supporting the Biobased Products/Bioenergy Initiatives

Agricultural Research Service

An increase of $12 million above the 2001 level is included in the 2002 Act for Agricultural Research Service (ARS) research on biobased products and bioenergy. Of this total, an estimated $8.8 million is for bioenergy related work. These investments in new technologies will develop advanced products based on agricultural commodities for markets in the U.S. and abroad. The Biomass Research and Development Act of 2000 emphasizes the need to create new biobased industrial products, improve processing technology, and to reduce the costs of conversion technologies. ARS research in this area will be coordinated with other Federal agencies and national labs, universities, the private sector and other organizations. Additional investments in research can potentially increase farm income and provide new opportunities for business and employment growth in rural America. The research will also benefit the environment by providing a cleaner energy source as a substitute for nonrenewable fossil resources.

A total increase of $9 million above the 2002 level is proposed in the 2003 budget for ARS biobased products bioenergy research. An increase of $3 million is proposed to improve quality and quantity of ag biomass feedstock. ARS will work to improve conversion of current crops and develop alternative crops, such as guayule, cuphea and flax, for energy production and biobased products. Research will also be conducted on genetic modification of biomass crops to increase production and facilitate conversion to liquid fuels and power, and to develop sustainable systems for producing, harvesting and handling of biomass crops for energy production. An additional increase of $2.5 million is proposed for improving conversion of ag materials and wastes to biofuels. Research will focus on expanding development and use of biofuels, increasing environmental benefits and improving rural economic stability. Alternative processing technologies for creating 21st Century biorefineries will be developed. ARS also seeks to broaden the feedstock range, and expand the primary product line to include higher valued polysaccharides, oils and proteins as well as inexpensive biofuels. Finally, research will be conducted to improve fermentation of sugars found in biomass. Of the $9 million, $3.5 million will support the development of technologies to produce biobased products from agricultural commodities and byproducts, including polymers from agricultural materials, novel functional properties, and optimizing processing to obtain ultimate product performance. The 2003 Budget also eliminates funding for all 2001 and 2002 Congressional add-ons., and other less critical work. These reductions total $5.8 million.

Commodity Credit Corporation

The Commodity Credit Corporation (CCC) will support a program of bioenergy incentive payments in 2002. CCC will provide up to $150 million in 2002 in bioenergy incentive payments to encourage increased production of fuel grade ethanol and biodiesel from grain. No funds are proposed in 2003 for this 2-year program that began in 2001.

Cooperative State Research, Education, and Extension Service

Biobased products and bioenergy research projects supported by the formula grants are expected to remain at the $4.2 million level in 2002 and 2003. The National Research Initiative Competitive Grants Program is anticipating an increase of $7 million for biobased and bioenergy related work in 2003, up from the 2002 estimate of $3 million. Of this amount, about half is expected to be supportive of goals of the National Energy Plan to develop alternative energy sources that are renewable. Congressional add-ons funded in 2002 totaling $5 million are discontinued in the 2003 budget. Consistent with Administration policy, these earmarked grants are not included in the Executive Budget request.

In addition, Congress prevents the Department from making new awards under the 2002 Initiative for Future Agriculture and Food Systems (IFAFS). The IFAFS Program provided an estimated $10 million to support biobased products and new uses in 2001. There is a reduction in 2002 from the 2001 level in funding for biobased products and bioenergy research due to the elimination of funding for new awards under IFAFS in 2002. The program is not funded in the 2003 budget proposal, consistent with Congressional action in 2002.

Forest Service

An increase of $5 million is proposed for the FS bioenergy research program. The FS Energy program aims to: develop economic technologies for converting woody materials into energy; develop energy efficient processing and production systems for woody fiber and solid wood products; develop and demonstrate economically effective and environmentally sound strategies, operations systems, and technologies for management harvest and utilization of small diameter material for energy; develop systems for producing bioenergy from small diameter and low valued source material; and develop and demonstrate new woody cropping systems for energy feedstock production.

Natural Resources Conservation Service

The Forestry Incentives Program (FIP) supports good forest management practices on privately owned, non-industrial forest lands nationwide. FIP is designed to benefit the environment while meeting future demands for wood products. Eligible practices are tree planting, timber stand improvement, site preparation for natural regeneration, and other related activities. FIP is available in counties designated by a Forest Service survey of eligible private timber acreage. Congress provided $6.8 million to fund FIP in 2002. The 2003 budget does not continue funding for the program.

Rural Development

The 2003 budget for RD proposes an increase of $2 million for cooperative research agreements to study emerging cooperative structures that will be essential for effectiveness in the evolving farm economy.

Ms. KAPTUR. I really think you have the keys to the kingdom. We have the keys to the kingdom. Now we just have to enlighten others.

The Department of Energy historically, this is nothing against them, but I mean, they grew out of the nuclear industry so you have a very heavy prejudice there and weight of opinion of the side of nuclear. Those that like nuclear, so be it, but I am sort of in the renewables arena and what we can do.

There is just a great article I talked about last night on floor of Congress written by Senator Lugar and the former CIA director, James Woolsey that was published in foreign affairs in late 1999 called The New Petroleum, and it talked about cellulosic biofuels, and I would just refer it to you just as truly pleasure reading and a view of the future. I would love to find a way to put a soy diesel pump or biofuel pump over at the USDA the same way we did farmers market and let people think a little bit about this, enlighten the American people.

This should be part of that exhibit at the Smithsonian. This is the future for us and you have the collection capabilities, you have the research capabilities, you have the marketing capabilities, and within USDA, we need to ratchet it up a bit, and I think every single person there has a responsibility in helping to crystallize this for the American people, and frankly for us, so we can be more helpful in building a new future.

Christine Todd Whitman just said this morning on C–SPAN that she drives an EP vehicle, ethanol powered vehicle. Just to tell you how seriously deficient we are in unlocking the keys to the kingdom, we had the head of the Forest Service up here the other day in our CS, and I said you have one of the largest fleets in the country. What percent of your vehicles are powered by biofuels? They are unconscious. They are not thinking about it. It isn't part of their mission, and so even within the Department we have a job to do. Enough said on that one.

IMPORTS

I wanted to go to APHIS if I might and just observe that in the budget submission you have made to us there is increase in appropriated dollars to deal with many of the pests and problems we are having due largely to imports, and I have said this at other meetings, but I am going to say it again, and that is a huge international legal question, who is really responsible for paying the costs of infestation that affects our food system?

If one takes the Asian long-horned beetle, for example, knowing its origin, why should I be asked to use taxpayer dollars sent here by people from my community and Congressman Bonilla's community when they did not cause the problem? They are the victim. The cities of Chicago and New York are the victims of infestation that has come from offshore.

We have talked to the Secretary about the international trade agreements that we sign and some of the international forums in which she would appear. I really do not think the answer to this is more appropriations. That is a short-term emergency answer perhaps but long term, the cost of this is phenomenal, just on citrus canker and Asian long-horn beetle, the remediation.

I know you have presented a traditional request to us, but as you think about this problem, it is massive, and it is taking other resources we need for other purposes, and I really think that the Department ought to consult with groups like the World Logging Institute to deal with torts and liability at a much higher level, because we are not going to be able to afford this, at least what we are going to have to take money from to pay for it, and I just wonder, Mr. Acord, as you think about the rising costs of the APHIS budget, if we look at the last 5 years, for example, what are some of your thoughts in this regard? Are you just going to continue coming to us to take taxpayer dollars directly appropriated to try to remediate? Is this how we are going to solve this problem, in your opinion?

Mr. ACORD. Well, philosophically, I would agree with you that we ought to try to find someone to send the bill to, if you will. The reality is where are we going to find that person or that country, the practicality, just the pragmatic issues of trying to do that and then trying to collect. Our legal counsel tells us that they do not believe that currently it is legal to do that or that we could find a way to do it, in spite of whether we would like to do it or not.

The other side of that coin is that we may be getting bills from others. While we believe that we are clean in our exports and we are not exporting disease, you certainly have to face the possibility that that could happen because we do have some diseases here that we could get the bill for through some accidental introduction to some other country in the world.

The reality is that we have to find new and creative ways to deal with these pests. We have to find them sooner. We have to react to them sooner before they become the kind of problem that citrus canker has been, or that some of the others have been. Frankly, we found the Asian long-horn beetle soon enough to where it did not become perhaps the national problem that it could have been.

The focus needs to be on the early detection and rapid response to these kinds of pest problems that we keep the costs down, keep the spread down, and minimize the impact that they potentially can have in the U.S.

Ms. KAPTUR. I thank you for your comments, and I would just observe that yesterday or early this week, the President made a decision on the steel industry, and whether one agrees with the decision or not, there is a method of assessing damage and responsibility, and it is very important in the behavior of countries and companies to have a regular order in the global marketplace and rules that are understood, and I think that we are in the environmental arena, and I would classify this in the environmental arena. We need the same regimen, and if the United States does something to harm another country, you know what, I think we should be responsible, and I think that exacts a discipline on our own people.

And so in this important area, I would appreciate, Mr. Acord, if you would think about this conversation a little bit, and if there are additional resources we could provide you to produce the kind of analysis that would lead us to a different future on this environmental front rather than just keep absorbing these costs through discretionary spending, I think we really need that. That report

could include the rising costs that we have been asked to pay over the last several years, but it seems to me that we have to go beyond what your general counsel says is what the law allows.

This is the problem. The law needs to be broadened because of the increased volumes of trade that the world is now experiencing. We have to find remedies to assess responsibility where harm has been done and we are the largest importing Nation in the world. I mean, we take more in here I think than any other country, and so we are more likely to be harmed, and I just would urge you not to be bound by the status quo, but to help us deal with the rising costs that you are bringing to us in a more future-oriented manner. At least give us some options, and if you need help in hiring the people to help think that through, please let us know.

Mr. ACORD. Thank you. We will take your advice seriously, and I believe the economic research service has been requested to do a study, or they have a request in this year's budget to do a study on the cost of invasive species and where we should be spending our resources, and we certainly look forward to that report.

SCREW WORM

Ms. KAPTUR. Okay. I wanted to just turn for a second the Chiapas facility. About 2 years ago, there was to have been a meeting to talk about the reuse of that facility in a very key area of southwest Mexico, and where there has been a lot of, I am sure you are aware indigenous unrest, and our government had been operating that facility for a very good biological purpose to eliminate, I think it was either screw worm or med fly.

Mr. ACORD. Screw worm.

Ms. KAPTUR. That is what I thought, and we had asked a prior administration to make a proposal to us that if we were going to diminish that facility and discontinue the activities that were ongoing, what recommendations we might have to turn it into a research station or a place where tropical fruits, for example, could be either researched or propagated working with the local people, but we never did get an answer back on that.

Mr. HAWKS. I will answer.

Ms. KAPTUR. All right. Secretary.

Mr. HAWKS. I was not here 2 years ago or even a year ago, but I can share with you what has transpired since my coming to USDA. We have completely, with our partners in that project, the Mexican government, and the Screwworm Commission, have reevaluated that situation. It is our intent now for that facility to stay open, and I have actually signed a decision memo to that effect. So it is actually a state-of-the-art plant. There have been a lot of upgrades there. There is a tremendous need for that facility there. There is also a need for an additional facility farther south, but the answer to the question is that that facility will be staying open, and I think the chairman has a certain interest in screwworms as well, and so we will assure you that that facility will be maintained.

Ms. KAPTUR. Thank you for that very clear answer. Will it be performing its current function?

Mr. HAWKS. Yes, ma'am. There is a continued need for that facility to produce the sterile flies there, and so it will remain open.

Ms. KAPTUR. I know that it was a huge employer in that area.

Mr. HAWKS. Yes, ma'am.

Ms. KAPTUR. And that was a very sensitive issue, and we had urged prior Secretaries to talk to AID and other instrumentalities of our government to do something, maybe working in cooperation with CSREES. They could raise coffee, they could raise tropical income. They basically need income. These are subsistence people. So I thank you for your attention to that, and if there is anyway we can broaden the purpose of that in conjunction with some of the other programs we operate, either through USDA or other instrumentalities of our government, I would appreciate the recommendations.

I wanted to just shift, if I could very quickly, to the Packers and Stockyards Administration, and the testimony submitted indicates there were 124 callers who contacted your hotline last year to report concerns. Can you give us a little feel for the nature of those calls and what it is that is being reported to the Department?

GIPSA HOTLINE CALLS

Ms. WATERFIELD. Those would just be the hotline calls. We receive hundreds of calls to our field offices. So that is actually just a hotline that allows people to call anonymously. It is important to realize that we receive calls every day throughout the year in each of our field offices, and we respond to every call that we receive. Last year we performed more than 1,600 investigations, and as a result of those investigations and the work that we performed, we returned more to the industry than the amount of money that Congress appropriated to our programs. I would have to get back with you on the nature of the calls that we received and the breakdown of the types of complaints that we received.

Ms. KAPTUR. Give us a sense of what happens there with the hotline call. Do people call with a concern about a given facility?

Ms. WATERFIELD. Sure. Our complaints on the hotline range anywhere from a call about the Johnson amendment to a specific packer, to a poultry grower complaining about his or her contract, to a complaint about territorial allocation, to someone calling to say that she did not get paid for a cow that went through a sale barn. So they range anywhere from a particular transaction to conditions in the marketplace.

Ms. KAPTUR. Well, we will ask some questions to the record on the nature of the calls and the types of complaints. That gives us information that we need here as well——

Ms. WATERFIELD. Okay.

Ms. KAPTUR [continuing]. To give a sense of what is happening in the country. I know that we have been joined by Mr. Nethercutt, and I have some additional questions on GIPSA, but I will hold them, Mr. Chairman, if you would like to call on Mr. Nethercutt.

Mr. BONILLA. Thank you, Ms. Kaptur. We have a lot of members of the Agriculture Subcommittee juggling several hearings this morning. We welcome Mr. Nethercutt who has been bouncing between hearings and the House floor as well. Welcome, Mr. Nethercutt.

ANIMAL WELFARE ACT

Mr. NETHERCUTT. Thank you, Mr. Chairman. You are right, Defense and Interior, and now here. I appreciate your patience.

Mr. Chairman I welcome all the witnesses. You may have known that I and many others in the Congress are concerned about the issue of security of our research facilities that are funded by agriculture research dollars from what I call domestic terrorist groups, like Earth Liberation Front, and the Animal Liberation Front. These groups get information off Web sites about researchers and research through the Freedom of Information Act, and then use that information to do damage. I think it is outrageous, and I do have legislation that addresses this issue and tries to solve that problem.

Secretary Hawks, we did send you a letter on February 8, 2002. You probably haven't had a chance to even look at it yet, but in that letter, we encouraged APHIS to work with the research community to evaluate the problem I will call overexposure. I am informed that some of the material has been taken off the web, and that is positive. I know there are legal issues to review regarding security in the Freedom of Information Act and so forth, but I know also that the older American Welfare Act or Animal Welfare Act inspections are still available. I think they ought to be looked at very carefully as well.

Maybe you have some comments about how we might think through this whole issue of security from these kinds of organizations that really are terrorist in nature. The FBI says ELF & ALF are the number one domestic terrorist group in the country. I think we should consider whether we might insulate some of this information from Freedom of Information Act requests. I know it is a sensitive area, and I support FOIA, but I do think we need to be careful about this as it relates to researchers and research dollars. So maybe you have some thoughts.

Mr. HAWKS. Yes, thank you, Mr. Nethercutt. I share your views and your beliefs. It doesn't matter whether a terrorist is homegrown or imported, they are still a terrorist, and we have been evaluating the types of information that is on Web sites, the information that is readily available. And you are correct, some of the things have certainly been changed that are being put up. It is a sensitive nature with the FOIA. There have been some changes made there in animal care as well on E-FOIAs, and so we are evaluating that. I share your concerns.

I share your interest there. We will continue also department-wide evaluating all of our security issues there. We have had some external contractors look at some of our facilities to help us try to discover ways to prevent the terrorist activities that potentially could be there. So we are working on this issue.

Mr. NETHERCUTT. Well, that is great. I hear a lot, from researchers all across this country, not just ag researchers, but private researchers. I have a brand new health sciences facility in my district. The universities there collaborated and put the money up. They are worried about people coming in and burning them down. Really, I think forewarned is forearmed. I think we need to be sure these places are protected.

WOLF ACTIVITIES

Mr. Acord, I know that APHIS conducts livestock protection activities for resource owners around the country in cooperation with private and government agencies, and I see that you mention wolf capture and relocation activities in your testimony. A couple of years ago, I asked a question regarding the cost of the wolf program and whether the Department of Interior, which manages that program, is paying for its fair share of the control cost. Can you tell us what the relationship is there, whether your budget is benefited by the fact that Interior's helping on this?

Mr. ACORD. Mr. Nethercutt, thank you for your question. I think you can see from our appropriation request that we obviously have a deep interest in wolf control. We are certainly providing all the control for protecting livestock and the movement of or the relocation of wolves. Interior does not fund any of that activity. It all comes out of the wildlife services appropriation.

Mr. NETHERCUTT. Given that, it seems to me we have got a lot of pressure on ag programs. I am on the Interior Appropriations Subcommittee too, so I will ask Secretary Norton in due course, about this issue. It is their program, as I understand it, and I have questions about it.

I think my memory is that we had testimony a few years ago, that the cost of reintroduction of 15 wolves into my part of the country was $6 million. That seems excessive to me, but in any event, it is costing you money, and I think money is at a premium these days for all that you need to do and want to do.

Mr. ACORD. Mr. Nethercutt, the cost of reintroduction is not nearly as expensive as the cost of staying, and that is what we deal with, the cost of the presence of the wolves when it comes to their depredation on livestock. That is an expense often overlooked in the reintroduction program, and it is something that needs to be considered.

Mr. NETHERCUTT. Thank you, Mr. Chairman. Thank you all for your testimony.

Mr. BONILLA. Thank you, Mr. Nethercutt. I have a comment on your point about the agri-terrorism issue. That is a very important issue. These people, in my view, are terrorists because they have no regard for human life. They will destroy anything just to make a statement. I want to applaud you for your work on this issue. I know last year we had a discussion about possibly putting something in our bill for this cause. However, last year, members of this subcommittee were extremely cooperative in getting the bill done. We did not put any authorizing language of this nature in the bill. I have to tell you, if I had to pick one issue this year, that would be the one we would put in this year's bill.

Mr. NETHERCUTT. Well, it is a new year. We will keep talking.

Mr. BONILLA. We want another clean bill this year, but seriously, George, that is a very, very important issue that I fully support. I hope we can get that done somehow. Thank you.

Ms. Kaptur.

Ms. KAPTUR. Thanks, Mr. Chairman, I have got my last round, and I wanted to go back to GIPSA if I could, the packers and stockyards, and I have many questions for the record, but I wanted to

ask you if your agency receives complaints regarding the poultry industry in this country.

POULTRY INDUSTRY COMPLAINTS

Ms. WATERFIELD. Yes, ma'am. In fact our Atlanta office is our office that specializes in the poultry industry.

Ms. KAPTUR. Oh. Could you tell us a little bit about what the nature of those complaints might be? Can they be categorized? Is there a way to describe them? Do they receive more complaints than maybe other industries?

Ms. WATERFIELD. Primarily, the nature of the complaints is that growers in the chicken industry are complaining about unfair treatment from their integrators under contract terms, and the vast majority of the time when we go out to investigate, we find that we can either resolve the complaints informally, meaning that the integrators will come into compliance with the contract terms or the complaints are not valid.

Ms. KAPTUR. I tell you, I was very surprised too; I went up to Delmarva Peninsula a couple of years ago, and walked through many of those farms and operations and met with some of the large processing companies then, and one of the impressions I took away with me from that trip, at that point, how the farmers had signed contracts that they really did not, they did not protect their own interests, and they were being asked to do things, and that started us off on this cause of trying to get USDA to put up on the Web a sample contracting site, which then USDA said they could not do, and I said, well, do not put up a specific contract, put up some samples of what the questions farmers should ask before they sign.

Ultimately, USDA was helpful there, but I found great lack of information in the agriculture community on contracting and I was actually surprised because I had never experienced that before.

One specific experience, I had one farmer I pointed out a manure pile because of the pollution in Chesapeake. Oh, Congresswoman, he thought I was going to cite him or something, he said we are going to get rid of that, we are going to get rid of all that, and the company is going to haul it away. I said haul it away? I said, sir, that is the one thing I know you own on this operation and you should actually sell that. That wasn't in the contract. I mean, I just could not believe some of what I learned.

Then I went to one of the processing firms, and during lunchtime, one of the executives showed me a bottle where they had pelletized manure, and what a growth market that was for them and all, and I just had this experience with this farmer and then having the experience with the company. I thought something is missing, and so I appreciate the Department's support of our measure H.R. 231, to provide you with administrative authority to investigate, and I know Mrs. Emerson is a cosponsor with me.

Ms. WATERFIELD. And Congresswoman, we are dramatically increasing our outreach to producers and growers, particularly in the poultry industry. Last fiscal year, we had about 20 poultry town hall meetings specifically geared at growers to make sure that they understood the protections afforded them by the Packers and Stockyards Act, and we are trying each year to reach out further to growers to make sure that they understand that we are there

and that they are one of the intended beneficiaries of the Act, even as the Act is written now.

So we are trying to increase our efforts to reach them and to make sure that they understand what the Act does do, and AMS has led the effort within the Department to provide more information on contracting and what producers and growers should look for in contracts.

Ms. KAPTUR. Is there a simple way for you to describe to me what you can do with a complaint about bad practices in the livestock industry versus the situation you face in the poultry industry and what your powers are?

Ms. WATERFIELD. In the poultry industry, our jurisdiction is limited to live poultry dealers and to any growing arrangements where poultry is grown for the purpose of slaughter. And as you know, the poultry industry is pretty much vertically integrated, which means that most growing of any kind of poultry is done under contract which would include any kind of eggs or hens, anything like that.

The problem is that there is a huge misconception about our jurisdiction. We do not have jurisdiction over any kind of contracts for egg layers, for example, because those contracts are not done for the purpose of slaughter. Those contracts are done for the purpose of laying eggs. So even though the contracts are in place until the hens are spent and go off to slaughter, the purpose of those contracts is for the hens to lay eggs. We do not have jurisdiction over those and our jurisdiction is very limited, to only those contracts over growing arrangements for the purpose of slaughter.

Ms. KAPTUR. Who does have jurisdiction over?

Ms. WATERFIELD. No one. That would fall to State law and contract law.

Ms. KAPTUR. You know what is interesting about that, in my State, we have one company that produces 2.6 billion eggs a year and they have refused to comply with eight contempt of court citations by our State Attorney General. I don't know if you have been involved in cases that have reached the point of having contempt in the livestock industry. Do you know of any where eight have been rejected by the company or not responded to, ignored?

Ms. WATERFIELD. We have had several. There have been three or four, and generally in the livestock industry when that happens, usually because we are working through the Department of Justice at that point in time, we are able to get the person incarcerated.

Ms. KAPTUR. Okay.

Ms. WATERFIELD. So one of the contrasting differences is that in the livestock industry we have civil penalty authority. Our jurisdiction is broader. We don't rely on State law. It is a Federal law. When we have a case involving contempt, if the Secretary were to take it to the Department of Justice, then it goes to Federal court. The Federal court judge then takes it more seriously. After several contempt instances, there is usually a probationary period and then incarceration. So what we find is that when we have a problem with violation of the law, we are taken more seriously, and so that is why we have supported your efforts to expand our authority.

Plus, as we have just discussed from your reaction, I can tell there is a lot of confusion about what our authority is in the poul-

try industry. So we are constantly trying to explain to folks in the poultry industry that, I am sorry, we do not have jurisdiction over your contract because your contract is to produce eggs. It is not a contract to grow for the purposes of slaughter, and people do not understand that.

So for lots of different reasons we would like to see our jurisdiction expanded.

Ms. KAPTUR. If there were to be a Federal agency responsible for oversight on the egg-laying aspect, would that be FDA, if the law permitted it, it wouldn't be your agency, you are saying, because you say you are only involved in slaughter?

Ms. WATERFIELD. No.

Ms. KAPTUR. I know that, but if one were to think about who should be the logical instrumentality?

Ms. WATERFIELD. It would probably be us, because the idea is to police unfair practices between the person growing or handling the chickens and the integrator or the processor. So you are basically overseeing the contract, which is we are overseeing the practices between the two parties, which is basically what we do in the other types of contracts that we are looking at. We are policing that industry for unfair practices in any other type of situation, so the contract specifies how the parties are to relate to one another. We just go in and make sure the contract terms are being applied fairly and uniformly.

Ms. KAPTUR. I thank you very much. It has been an enlightening discussion, and thank you, Mr. Chairman.

Mr. BONILLA. Thank you, Ms. Kaptur. Mr. Goode has just joined us. I will yield to Mr. Goode.

HYDRILLA

Mr. GOODE. Thank you, Mr. Chairman. I have really one question, probably to Mr. Acord. Can you tell me what you are doing researchwise, and also in working with communities in combatting hydrilla in inland lakes.

Mr. ACORD. We are not doing very much with that at all. That is research done by ARS and the other kind of outreach and discussion with communities would be done through the cooperative extension service and through State agencies.

Mr. GOODE. So your division then is not focusing on hydrilla at all?

Mr. ACORD. Not to any great extent. We have, in the past, performed control work on hydrilla, but it is very, very limited, and we haven't seen an expansion of that in a long time.

Mr. GOODE. That work that you did do, was it fruitful?

Mr. ACORD. In some cases we were successful. In others we were not. It depends on the level of local cooperation and local participation. I don't believe we are going to get into any larger-scale programs at this point.

Mr. GOODE. In the last 5, or even 10 years, where have you done hydrilla?

Mr. ACORD. We have done some technical assistance work with Virginia, some here in Potomac, or in the Potomac River. There is some work that was been done a number of years ago. Other sites,

I cannot tell you specificly as to where we have done it, but we could certainly provide that for the record.

Mr. GOODE. Could you just tell me the sites you looked at in Virginia and when you did.

Mr. ACORD. The only ones that I am aware of was on the Potomac River.

Mr. GOODE. Okay. Thank you, Mr. Chairman.

[The information follows:

APHIS is aware of various hydrilla projects in the past for applied methods and in inland lakes. These projects include the following:÷

- APHIS Whiteville North Carolina Methods Development Lab led a Hydrilla project in the 1981–93. Efforts included pesticide treatment methods and use of triploid grass carp, mostly centered in Florida and the Imperial Valley irrigation canals of California.
- APHIS funded operational programs in irrigation canals in Mexico for the last several years. In 2002, APHIS is funding part of a Hydrilla triplois carp program in the lower Rio Grande river, in cooperation with the Bureau of Reclamation. This is a matching grant through the Pulling Together Initiative (PTI) sponsored by Federal Interagency Committee for Management of Noxious and Invasive Weeds, and managed by National Fish and Wildlife Foundation.
- Several aquatic weed survey efforts have been conducted including a Hydrilla survey though the PTI in recent years. Such a PTI grant funded in 2002 is an aerial survey project with Maryland Department of Natural Resources.
- APHIS has funded a small project on biological control of Hydrilla at Wakula Springs, near Tallahassee, Florida through a cooperative agreement with Florida A & M University. There appears to have been some survey and/or technical support efforts done or coordinated by Whiteville Lab in Virginia in the past, but not specifically by APHIS for control or eradication projects.
- In the past, state-funded pass-through money to the Virginia Department of Agriculture may have been provided to local cooperators. A private control company contact indicates several current privately funded Hydrilla control projects in Virginia combine integrated use of pesticides and triploid grass carp.

Mr. BONILLA. Thank you Mr. Goode. We appreciate you all being here today and look forward to working with you as we put our bill together this year. We appreciate your patience with the vote we had that interrupted us for a few minutes, and we appreciate the subcommittee members who are juggling a lot of hearings today.

Mr. Nethercutt mentioned the defense hearing. I happen to be on that one too. I missed the whole thing, but we are going to get our jobs done this year the best we can. At this time the subcommittee will stand adjourned.

QUESTIONS SUBMITTED BY MR. BONILLA

PESTICIDE DATA PROGRAM

Mr. Bonilla: Provide a table for the record showing the funding for the Pesticide Data Program since fiscal year 1997 to include fiscal year 2003 estimates. Please include both direct and reprogrammed appropriations, particularly those from the microbiological data program.

[The information follows:]

PESTICIDE DATA PROGRAM
Funding
(Dollars in Thousands)

Fiscal Year	Obligations
1997	$ 418
1998	7,902
1999	10,747
2000	12,977
2001	14,185
2002 est.	14,302
2003 est.	14,843

Note: In 1997, Congress appropriated funding to EPA. None of the appropriations to the Microbiological Data Program have been reprogrammed to the Pesticide Data Program.

Mr. Bonilla: Please provide a list of the ten states that are participating in the pesticide data program and the amount of federal funds spent in each state for fiscal years 2000 - 2003.

[The information follows:]

Pesticide Data Program State Participation

State	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate
California (a)	$2,660,419	$3,005,000	3,074,148	3,174,000
Colorado (b)	75,000	135,000	190,000	300,000
Florida	1,187,000	1,269,892	1,245,000	1,245,000
Maryland	60,000	65,000	67,000	67,000
Michigan	1,130,000	1,180,000	1,200,000	1,200,000
New York (a)	1,740,000	1,850,395	1,900,000	1,950,000
Ohio	809,577	849,597	920,000	920,000
Texas	1,107,178	1,115,511	1,110,000	1,110,000
Washington	827,000	900,000	920,000	920,000
Wisconsin	58,528	60,000	65,000	65,000
SUBTOTAL	**$9,654,702**	**$10,430,395**	**$10,691,148**	**$10,951,000**

	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate
Federal Expenditures (c)	3,322,480	3,754,260	3,610,852	3,892,000
TOTAL	**$12,977,182**	**$14,184,655**	**$14,302,000**	**$14,843,000**

(a) Includes funds provided for testing of drinking water for FY 2001 - FY 2003.
(b) Colorado allocation increased in mid-FY 2002 and FY 2003 to accommodate expansion of drinking water testing.
(c) Includes $125,000 awarded to private contractor for collection of water samples for FY 2002 and $150,000 expected to be awarded in FY 2003.

ORGANIC CERTIFICATION PROGRAM

Mr. Bonilla: How many certifying agents have been accredited in the organic program to date?

Response: To date there are 95 applications for National Organic Program accreditation: 42 private domestic organizations, 16 State governments, and 37 private foreign organizations. The program is scheduled to announce the first round of accredited certifying agents on April 21, 2002.

Mr. Bonilla: Please update the table that appears in last year's hearing record showing how much has been spent by year for the Organic Certification Program, along with a brief description of the purpose.

[The information follows:]

National Organic Certification Program

Activity	Year	Amount Spent
Developed a charter for the National Organic Standards Board, or NOSB, and initiated a process to receive nominations in the event Federal Advisory Committee funds became available for the NOSB.	1991	None
The Department allocated $120,000 to NOSB from the Department's advisory committee account. We arranged 3 NOSB meetings and 11 meetings of committees of the NOSB following Federal Advisory Committee Act, or FACA, procedures. We continued to provide communication to the organic community and encouraged them to work together with the NOSB to assist the program.	1992	$120,000
The Department allocated $45,646 to NOSB from the Department's advisory committee account. We provided support for three NOSB meetings and served as liaison with other agencies and the organic community.	1993	45,646

Activity	Year	Amount Spent
Provided $500,000 from AMS' Marketing Services account to arrange meetings, prepare public notices of the meetings, prepare minutes, copy documents, cover handling expenses, negotiate with the European Union, and help the private certifiers develop and submit technical dossiers. We arranged and conducted four livestock hearings across the country, issued contracts to technical advisers to coordinate the materials review process, participated in international standards development at Codex, and coordinated with other agencies and Departments on program activities related to their missions. The Department allocated $57,571 to NOSB from the Department's advisory committee account, and two meetings were held.	1994	557,571
Provided $500,000 from AMS' Marketing Services account to draft regulations, communicate with the organic community on issues and concerns, provide mailings on USDA recommendations, and participate in development of international guidelines development under Codex. We also coordinated and implemented the required Technical Advisory Panel reviews of substances under consideration for the national list. The Department allocated $40,000 to NOSB from the Department's advisory committee account, and two meetings were held.	1995	540,000
Provided $500,000 from AMS' Marketing Services account for drafting regulations subsequent to NOSB recommendations for the program. We participated in a Codex meeting to develop international guidelines for organic production and processing, continued to provide support for the NOSB, and discussed the proposed organic rule with other agencies that may be affected, such as the Environmental Protection Agency and the Food and Drug Administration. The Department allocated $33,000 to NOSB from the Department's advisory committee account, and one meeting was held.	1996	533,000
Provided $500,000 from AMS' Marketing Services account. We continued drafting the proposed rule for publication and public comment. No additional funds were available from the Department's advisory committee account for fiscal year 1997.	1997	490,000
The proposed rule was published December 16, 1997. The public comment period was extended to close April 30, 1998. We supported a meeting of the NOSB in March of 1998 to review the proposed rule.	1998	880,645

Activity	Year	Amount Spent
Over 275,000 public comments were received on the initial publication of the proposed rule, mostly in opposition. A second public comment period was opened for 45 days to receive input on three issue papers concerning animal confinement, animal medications, and termination of certification. We again participated in the Codex Committee on Food Labeling and provided support for two meetings of the NOSB.	1999	1,014,656
A reproposed rule was published on March 7, 2000, with a 90 days public comment period. There were 40,774 public comments received during that period. In addition we held three public meetings on organic seafood production. We participated in one industry-only meeting sponsored by Alaska governor Tommy Knowles and Senator Ted Stevens. We also participated in the Codex Committee on Food Labeling, Organic Food Working Group in Ottawa Canada and we supported three meetings of the National Organic Standards Board.	2000	1,154,200
A final rule was published on December 21, 2000, became effective on April 21, 2001, and will be fully implemented on October 21, 2002. Again we participated in the Codex Committee on Food Labeling. With the additional funds from the AMS Marketing Services account, we hired one full-time employee to assist the current National Organic Program staff in accreditation of certifying agents. We began the initial accreditation of domestic and foreign certifying agents and developed policy directives that were compiled into program manuals. In addition, we supported three meetings of the National Organic Standards Board	2001	1,592,571
AMS will continue the implementation process and anticipates that the first group of accredited certifiers will be announced by April 21, 2002. Once these State and private certifying agents are certified they will begin inspecting participating producers and handlers to certify compliance with the National Organic Program standards. The National Organic Program will continue to provide staff support for the NOSB which will hold at least two meetings during FY 2002. This support will include assistance to the NOSB in its review of substances for addition to the national list and publication of proposals to amend the national list	2002	2,029,000*

Activity	Year	Amount Spent
AMS will continue the implementation process including, as a part of the accreditation process, onsite evaluations of nearly 75 accredited certifying agents to examine their operations and to verify their compliance with the National Organic Standards. FY 2003 activities also include the accreditation of additional applicants; organic standards equivalency agreements with foreign governments; enforcement of the National Organic Standards; completion of rulemaking to clarify existing standards for mushroom, greenhouse, and apiculture production; publication of production and handling standards for aquatic species; regional training for accredited certifying agents; and development of consumer information. The National Organic Program will continue to provide staff support for the NOSB which will hold at least 2 meetings during FY 2003. This support will include assistance to the NOSB in its review of substances for addition to the National List and NOP publication of proposals to amend the national list.	2003	1,271,000*

*FY 2002 spending includes $389,000 from the Trust Fund
*FY 2003 spending includes $250,000 from the Trust Fund

Mr. Bonilla: How much do you plan to spend in the current year on organic certification implementation?

Response: In fiscal year 2002, AMS plans to spend $2,029,000 on the organic program. These funds support the publication of the final rule, meetings with foreign governments to discuss equivalency agreements and other trade related matters, U.S. representation at Codex meetings, accreditation of domestic and foreign certifiers and providing the public with information on the final rule and other program related matters.

Mr. Bonilla: Provide a table showing the resources, both dollars and staff, which have been expended on the Organic Certification Program since its inception, including fiscal year 2003 estimates.

[The information follows:]

Total Resources Expended on the National Organic Program Since Inception

Fiscal Year	Staff Years	Total Cost
1991	0	$0
1992	2	120,000
1993	2	45,646
1994	5	557,571

Total Resources Expended on the National Organic Program Since Inception		
Fiscal Year	Staff Years	Total Cost
1995	11	540,000
1996	11	533,000
1997	7	490,000
1998	14	880,645
1999	14	1,014,656
2000	11	1,154,200
2001	15	1,592,571
2002 est. 1/	15	2,029,000
2003 est. 2/	15	1,271,000
Total	122	$10,228,289

1/ 2002 estimate includes $389,000 from the appropriation to the Trust Fund
2/ 2003 estimate includes $250,000 from the appropriation to the Trust Fund

MANDATORY PRICE REPORTING

Mr. Bonilla: Has AMS added any new staff to implement the mandatory price reporting program? If so, how many? What is the full staffing level for this program?

Response: AMS added 43 new staff positions to implement the mandatory price reporting program. The full staffing level for the program is 50 employees.

Mr. Bonilla: How many reporters have AMS hired to implement the mandatory price reporting program?

Response: AMS hired 15 reporters to implement the mandatory price reporting program. The remaining staff consists of the compliance audit group, information technology, and clerical support.

PAYMENTS TO STATES AND POSSESSIONS

Mr. Bonilla: Provide for the record a state-by-state funding table for the Payments to States program to include fiscal year 2003 estimates.

[The information follows:]

PAYMENTS TO STATES AND POSSESSIONS STATE-BY-STATE FUNDING TABLE

	Fiscal Year						
	1997	1998	1999	2000	2001	2002	2003
Alabama	- -	- -	$48,000	- -	$50,000	- -	- -
Alaska	- -	- -	49,870	- -	62,000	- -	- -

	Fiscal Year						
	1997	1998	1999	2000	2001	2002	2003
Arizona	$55,000	$36,000	- -	$42,000	- -	- -	- -
Arkansas	- -	- -	- -	59,600	- -	- -	- -
California	20,390	110,300	50,000	- -	86,900	- -	- -
Colorado	50,180	60,000	32,000	40,000	- -	- -	- -
Connecticut	13,000	- -	75,000	- -	- -	- -	- -
Delaware	33,140	- -	- -	- -	- -	- -	- -
Florida	35,000	- -	57,000	- -	80,600	- -	- -
Georgia	69,140	- -	- -	- -	- -	- -	- -
Hawaii	- -	- -	- -	64,000	- -	- -	- -
Idaho	- -	- -	24,989	65,000	20,000	- -	- -
Illinois	125,802	- -	80,000	58,000	- -	- -	- -
Indiana	- -	- -	- -	78,000	- -	- -	- -
Iowa	- -	25,000	- -	55,000	35,000	- -	- -
Kansas	52,800	- -	- -	55,000	- -	- -	- -
Kentucky	- -	- -	90,000	- -	- -	- -	- -
Louisiana	55,000	- -	- -	65,300	- -	- -	- -
Maine	- -	23,200	42,000	- -	- -	- -	- -
Maryland	67,000	53,000	- -	- -	45,700	- -	- -
Massachusetts	- -	- -	89,064	55,000	17,500	- -	- -
Michigan	43,188	- -	- -	40,000	47,050	- -	- -
Minnesota	89,000	45,000	45,000	- -	14,500	- -	- -
Missouri	- -	- -	- -	52,500	72,600	- -	- -
Montana	- -	118,000	- -	48,000	- -	- -	- -
Nebraska	- -	108,000	- -	33,000	- -	- -	- -
New Hampshire	- -	- -	34,375	- -	- -	- -	- -
New Jersey	55,000	85,300	43,131	- -	- -	- -	- -
New Mexico	40,000	- -	- -	- -	61,500	- -	- -
New York	64,214	- -	84,500	- -	- -	- -	- -
North Carolina	- -	- -	- -	20,000	51,000	- -	- -
North Dakota	- -	110,000	- -	35,000	- -	- -	- -
Ohio	- -	- -	- -	60,000	- -	- -	- -
Oklahoma	- -	- -	- -	80,000	- -	- -	- -
Oregon	25,000	27,000	63,000	- -	48,500	- -	- -
Pennsylvania	- -	40,000	75,000	31,000	60,750	- -	- -
Puerto Rico	- -	- -	- -	- -	- -	- -	- -
Rhode Island	- -	60,000	- -	- -	- -	- -	- -
South Carolina	30,000	- -	- -	- -	89,900	- -	- -
South Dakota	- -	- -	- -	24,000	50,000	- -	- -
Tennessee	44,014	54,685	112,000	- -	76,500	- -	- -
Texas	- -	102,160	- -	- -	- -	- -	- -
Vermont	19,858	- -	28,000	31,000	- -	- -	- -
Washington	- -	72,000	77,071	77,800	50,000	- -	- -
Wisconsin	73,274	70,340	- -	30,800	75,850	- -	- -
Wyoming	140,000	- -	- -	- -	25,000	- -	- -
Total	1,200,000	1,199,985	1,200,000	1,200,000	1,347,000 1/	1,347,000 1/	1,347,000 1/

1/ The distribution of obligations by States is not available until projects have been selected for funding.

PAYMENTS TO STATES AND POSSESSIONS

Mr. Bonilla: Please provide for the record a list of the projects that were approved for your Payments to States and Possessions program during fiscal year 2001. Also provide a brief description of each project.

[The information follows:]

FEDERAL-STATE MARKETING IMPROVEMENT PROGRAM
FISCAL YEAR 2001 GRANTS

State	Purpose	Award
Alabama	To aid market development of the Gulf Coast Satsuma mandarin industry by creating a grower advisory group, developing fruit quality standards, identifying retail markets, evaluating approaches to handling, packaging and labeling, and disseminating results at grower meetings	$50,000
Alaska	To assess the strengths of the Alaska Grown program and how it can be utilized to improve marketing opportunities for Alaska agricultural products	$62,000
California	To design and implement an educational program for wine grape growers about the opportunities to vertically integrate their operations for greater profitability	$35,900
California	To enhance the economic viability of small farms and rural communities, and foster the preservation of farmland and agriculture in the Yolo-Solano-Napa region through a farm trails and agri-tourism project	$51,000
Florida	To implement a new channel of trade via the Daytona Beach Farmers' Market, linking producers of fresh fruits and vegetables, and institutional buyers in the Daytona Beach Metropolitan Statistical Area	$25,900
Florida	To identify and characterize the national Hispanic consumer of seafood and aquaculture products by country of origin; determine the optimum message to positively influence purchasing decisions; determine the best educational and marketing outlets; and disseminate results to producers	$54,700
Idaho	To provide the market information and producer education necessary to encourage pastured poultry production and marketing in Idaho	$20,000
Iowa	To create an information and marketing infrastructure to assist Iowa and Upper Midwest livestock farmers to enter and compete in non-commodity markets for meat and livestock products	$35,000
Maryland	To develop a comprehensive regional marketing plan for bison produced in an 11-State region of the Eastern United States	$44,200

Maryland	To conduct a feasibility study for an on-line virtual farmers' market	$ 1,500
Massachusetts	To identify existing and new markets and marketing systems for value-added, Massachusetts grown lavender and specialty herb products	$ 2,500
Massachusetts	To complete a marketing analysis of the feasibility of bringing farmers and local ethnic restaurant owners together in a mutually beneficial supply-demand relationship focused on specialty foods	$15,000
Michigan	To develop a state-wide accessible Geographic Information System for agri-tourism in Michigan, and assess the economic impact of agri-tourism on the Michigan economy	$47,050
Minnesota	To evaluate Minnesota Christmas tree marketing statistics for use by the Christmas tree industry to improve sales	$14,500
Missouri	To develop and assess demand for locally manufactured fruit brandy and port products, and examine the extent to which sales of fruit brandy and port could enhance the income of small Missouri-based fruit producers	$16,000
Missouri	To assess and develop Missouri's organic feed grain and soybean production and distribution capabilities in relation to the United Kingdom's organic grain and oilseed requirements	$41,150
Missouri	To implement 'Harvest Connection,' a weekly fax system designed to inform urban chefs about the availability of locally grown fresh and processed food products	$15,450
Mississippi	To address the business and financial training needs of Mississippi agri-businesses through the development of distance learning opportunities, workshops and conferences	$65,650
New Mexico	To complete in-depth case study analyses of 10 farms and ranches and advise them how to effectively improve their marketing programs and business practices to increase direct sales	$34,500
New Mexico	To conduct a farm-to-school pilot project involving three public schools and a newly-formed cooperative of small-scale Hispanic farmers	$27,000
North Carolina	To determine the key factors that influence consumer purchases of fresh Muscadine grapes and Muscadine wines to help growers identify their target markets and improve the marketing of their products	$51,000
Oregon	To evaluate existing research and conduct new research on The nutraceutical properties of cranberry seeds and seed oil, and assess opportunities for new product development	$48,500

Pennsylvania	To develop a model to help successful small-scale food processors create effective marketing strategies for moving their value-added agricultural products into local retail channels	$60,750
South Carolina	To select the best varieties and cultivars of medicinal crops for organic production, develop standardized and scientifically-controlled cultivation and harvesting practices, conduct field tests, and evaluate the market for branded, certified organic South Carolina botanicals	$89,900
South Dakota	To develop a comprehensive Internet web site to assist wheat producers to efficiently market their identity-preserved grain	$50,000
Tennessee	To develop a comprehensive guide and self-evaluation tool based on the experience of successful, diverse Tennessee agricultural entrepreneurs to help start-up valued-added agribusinesses evaluate and improve their marketing plans	$76,500
Utah	To characterize the emerging and rapidly evolving markets for native plants and seeds of the Great Basin region in order to bring about a better balance of supply and demand	$28,000
Utah	To create a Resource Center at the entrance of Capital Reef National Park to showcase and sell high-value crafted wood products made by local and national artisans and craftspeople, provide technical and business assistance to small-scale wood products businesses, and develop a nationally recognized sustainable forest resource center	$50,000
Virginia	To enhance the effectiveness of the State's international promotional efforts through video conferences targeted to potential buyers of Virginia agricultural products in overseas markets	$44,000
Washington	To educate Japanese processors about the characteristics and technical applications of U.S. chipping potatoes, and explore opportunities to grow and export potatoes that meet Japanese specifications	$50,000
West Virginia	To develop a comprehensive, coordinated, centralized data base for lamb marketing information in West Virginia to serve as the basis for analyzing and evaluating marketing alternatives and assessing opportunities to enhance the profitability of small independent lamb producers	$38,500
Wisconsin	To plan and host a workshop and conference to discuss and reach a consensus on dairy cattle guidelines and develop recommendations to USDA for the establishment of official grades	$ 8,600
Wisconsin	To expand the number of farmstead dairy operations; increase production of artisan cheese and specialty dairy products; and improve dairy producer income in Wisconsin and the Upper Midwest	$67,250

Wyoming	To verify statistical models of a video imaging technology to determine carcass cutability and yield of trimmed retail cuts that will become the basis for a market-oriented grid pricing system	$ 25,000
Total		$1,347,000

STANDARDIZATION

Mr. Bonilla: Please update the table in last year's hearing record showing standardization program costs by commodity for fiscal year 2001.

[The information follows:]

Fiscal Year 2001 Standardization Program Cost
(Dollars in Thousands)

Commodity Graded	Program Cost
Cotton	$1,149
Dairy Products	491
Fresh Fruits and Vegetables	664
Fruits and Vegetables	312
Meat	644
Poultry	247
Domestic Tobacco	156
Imported Tobacco	51
Total	$3,714

Mr. Bonilla: What standards are currently being worked on by AMS?

Response: AMS is developing grading standards for pistachio nuts in the shell, shelled pistachio nuts, peaches, fresh plums and prunes, nectarines, canned refried beans, fresh and canned apples, frozen okra, frozen celery, frozen onions, apple juice from concentrate, and grapefruit juice. AMS is reviewing for possible revision, United States Standards for Cheese, bulk American cheese, dry buttermilk, and dry buttermilk product standards. AMS is also reviewing standards for flue-cured, burley, fire-cured, dark-air, Wisconsin, and Connecticut tobacco.

AMS plans to announce new United States Standards for Livestock and Meat Marketing Claims in conjunction with AMS certification of process verification programs once Departmental reviews are completed. The Food Safety and Inspection Service will refer to these voluntary standards when reviewing meat product labels that reference AMS certification or verification services.

AMS is also working on the U.S. Trade Descriptions for Poultry meat standards for the United Nations Economic Commission for Europe, or UN/ECE. The U.S. Trade Descriptions for Poultry are voluntary standards designed to facilitate and enhance wholesale trading of poultry products in domestic and international markets. AMS is leading the UN/ECE Working Group in efforts to revise poultry meat standards that have not been updated since 1986. The agency's goal is to have

the U.S. trade standards adopted as the model for the UN/ECE poultry meat standards.

TOBACCO PROGRAMS

Mr. Bonilla: Please update the table that appears in last year's hearing record showing all the funds, both appropriated and user fees, spent on work related to tobacco to include fiscal year 2001 actuals and fiscal year 2002 estimates.

[The information follows:]

Tobacco Programs
Appropriated and User Fee Table
(Dollars in Thousands)

Appropriated:	FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate
Market News	$1,238	$1,007	$1,028
User Fee: Domestic Tobacco Grading	21,076	16,500	17,000
Imported Tobacco Grading	5,565	3,500	4,000
Standards	201	203	205
Market News (printed reports)	5	5	5

GRADING

Mr. Bonilla: Update the table that appears in last year's hearing record showing the total number of grading employees broken down by Federal employees and Federally-Supervised State employees for the past five fiscal years to include fiscal year 2001.

[The information follows:]

Agricultural Marketing Service

Grading Activities Performed by Federal Employees and Federally-Supervised State Employees

Fiscal Years	2001	2000	1999	1998	1997
Number of Federal Employees*	3,873	3,979	3,815	3,786	3,912
Number of Federally-Supervised State Employees**	5,497	5,485	5,998	5,928	6,006
Cross-licensed Employees of other Programs or USDA Agencies	138	37	114	24	22
Total	9,508	9,501	9,927	9,738	9,940

* Includes seasonal employees.
** Total service provided by all Federally-supervised State employees is less than one full-time equivalent staff year per person.

GRADING FEE INCREASES

Mr. Bonilla: Did any grading fees increase or decrease during fiscal year 2001? What was the amount of the increase or decrease and why?

Response: In FY 2001, AMS increased fees in three commodity programs. Poultry grading fees were increased in October 2001 by 5 percent for resident and 6 percent for non-resident services due to increased salaries, which account for 81 percent of the total operating budget, and for inflationary increases in other costs.

AMS increased its processed fruit and vegetable hourly rates for lot inspection from $43.00 to $47.00. Fees for year-round in-plant contract services for processed fruit and vegetable grading were increased from $35.00 to $36.00 per hour, and less than year-round in-plant contract services increased from $45.00 to $48.00 per hour.

The permissive tobacco inspection fees increased from $32.40 to $47.40 per hour. These fee increases were needed for salary and operational cost increases.

Mr. Bonilla: Are you proposing any grading fee increases in fiscal year 2002?

Response: AMS has proposed grading fee increases for one of its programs and may propose increases for three additional programs. The Poultry Grading Program increased its resident and non-resident fees by 5 and 6 percent respectively on January 1, 2002. The Cotton Program is in the process of determining its classing fees for crop year 2002. The new cotton classing fees will be published in the Federal Register by June 1, 2002. AMS expects to raise meat grading fees in FY 2002 and will propose to establish a new fee for audit-based services later this fiscal year. AMS also expects to increase fees for dairy product grading in late FY 2002 or early FY 2003.

PLANT VARIETY PROTECTION PROGRAM FEE INCREASE

Mr. Bonilla: Did any other fees increase or decrease? By how much?

Response: AMS Science and Technology's Plant Variety Protection Program is proposing to increase the cost of their application fees from $3,025 to $4,084 per application. This will result in a 35% overall increase in order to recover program costs and maintain an adequate reserve balance. These fees were last increased in 1995. Program users have requested that there be greater use of electronic technology and have suggested that investments be made to enhance internal workflow. The new fees will be published in the Federal Register in FY 2002.

MARKET NEWS REPORTS

Mr. Bonilla: Did you in fiscal year 2001, or do you plan in fiscal year 2002 or fiscal year 2003, to eliminate or consolidate any market news reports?

Response: In fiscal year 2001, the Cottonseed Review was eliminated. It was a weekly in-season report showing, by state, the high, low and

average prices paid by gins to producers for cottonseed. Also eliminated were the delivered prices on the Eastern Region and Central Region Mechanically Separated Chicken reports. In implementing the mandatory livestock reporting, AMS eliminated duplicate reports that were being published under the voluntary reporting program. The tobacco market reports for Georgia-Florida, and the South Carolina Border North Carolina, were consolidated into the "Southern Flue-Cured Markets" report. The Eastern North Carolina, and the Virginia-North Carolina, was consolidated into the "Northern Flue-Cured Markets" report.

In fiscal year 2002, AMS will consolidate the "Northeast and Southeast Non-Fat Dry Milk" and the "Central Non-Fat Dry Milk" report into the "Central and East Non-Fat Dry Milk" report. AMS also plans to revise and consolidate some reports for shell eggs as a result of a nation-wide review of our price series for carton eggs. There are no plans to eliminate or consolidate any other market news reports in fiscal year 2003.

WHOLESALE MARKET DEVELOPMENT

Mr. Bonilla: For the record, please provide the Committee with a listing and status of all wholesale market development projects underway in fiscal year 2001 and to date in fiscal year 2002?

[The information follows:]

FY 2001 Project/Activity	**Status**
Waterloo, IA Farmers Market	Completed feasibility analysis and nearing completion of facility designs for development of new Sycamore Street Farmers Market; report to be published in 4th Qtr. FY 2002
Direct Market Associations Directory	Published national directory of direct marketing associations in 1st Qtr. FY 2002
How-to Form Marketing Associations	Published manual on how to form direct marketing associations to facilitate farm direct sales to consumers; completed in 2nd quarter, FY 2002.
How-to Direct Market on the Web	This study providing small- and medium-sized growers with information on utilizing the internet for direct marketing; to be completed in 3rd Qtr. FY 2002
Direct Marketing Enterprise Development Manual	Information collection for a manual to assist producers in establishing direct marketing enterprises; report to be completed in 4th Qtr. FY 2002
Farmers Market Directory 2002	Publish update of national farmers market directory and place on internet: completion date 4th Qtr. FY 2002.
Farmers Market Manager Training Manual	Workbook and instructional materials for training managers in order to improve the effectiveness of farmers markets estimated completion in 4th Qtr. FY 2002

FY 2001 Project/Activity	Status
Electronic Benefits at Farmers Markets	A pilot demonstration project for a wireless, hand held device to enable producers to accept debit cards from food stamp beneficiaries is being conducted in Florida in cooperation with the Florida Department of Children and Families; estimated completion in 4th Quarter, FY 2003.
Lexington, KY Small Farmer Marketing Alternatives	A study to explore marketing alternatives for small farmers who want to diversify from reliance on tobacco is being conducted in cooperation with the Commodity Growers Cooperative; estimated completion is 4th quarter, FY 2002.
Cleveland, OH Terminal Market	Ongoing technical assistance provided to Northern Ohio Food Terminal to develop new marketing facilities in Cleveland: Ongoing through 4th Qtr. FY 2002
Models for Markets Systems	A research project with the University of Georgia to build models of the various elements in the fresh produce marketing system, and identify the interactions that occur: estimated completion 2nd Qtr. FY 2003.
Alabama Alternative Crops	Analyzing data for growing produce as a viable alternative for peanuts and other crops for small farmers. Studying potential sites for collection/assembly market sites in Phase 2 of project; estimated completion in 4th Qtr. FY 2002.
Produce Marketing Channels	The changes in various distribution channels for produce have been developed in cooperation with Cornell University. The results of the study will be incorporated in future projects. Ongoing through FY 2002
Long Island, NY - Regional Market	Ongoing technical assistance provided to the Long Island Market Authority in determining the feasibility of establishing a regional wholesale and farmers market in Suffolk County.
Greenbook - Directory of Wholesale Markets	The updated directory of wholesale and farmers market facilities will be placed on the internet as a resource for produce buyers and growers; to be completed 3rd Qtr. FY 2002
Technical Assistance to Kentucky and Ohio Small Farmers	The study will assist small farmers, primarily members of producer-owned cooperatives, who are trying to overcome infrastructure barriers in supplying value-added, produce items to institutional food service channels, including school systems: estimated completion 2nd Qtr. FY 2003
Marketing Assistance to Pennsylvania Nut Growers	The project will identify and evaluate processing equipment, storage facilities, and handling procedures for successfully marketing Pennsylvania-grown tree nuts: estimated completion, 2nd Qtr. FY 2003.

FY 2001 Project/Activity	Status
Sustainable Agriculture Research and Education (SARE) Project Follow-up	Partnered with SARE to develop 35 producer oriented marketing projects administered through the four SARE regions: University of GA, University of VT, Utah State University, and the University of NE. The results of these projects will be combined into a "lessons learned" report that can be utilized by other small producers; estimated completion 4th Qtr. FY 2002
Lexington, KY Farmers Market	Initiated a feasibility study to develop a permanent farmers market facility in response to a request from the Friends of the Farmers Market; estimated completion 4th Qtr FY 2002.
St Paul, MN Farmers Market	Ongoing technical assistance provided to St. Paul Farmers Market Growers Association to develop a year-round farmers market facility in the downtown area: Ongoing through 4th Qtr. FY 2002.
Alaska Seafood Conference	Convene local fishermen and seafood marketers to identify new strategies for marketing fresh Alaskan seafood: completion date - 3rd Qtr. FY 2002
Conference on EcoLabels	Support conference to discuss and analyze economic benefits of ecolabels for food producers and marketers: completion date 1st Qtr. FY 2003.
Ft Worth, TX Public Market	Ongoing technical assistance to Downtown Fort Worth Inc. to develop a permanent downtown public/farmers market facility. Ongoing through 4th Qtr. FY 2002.
Navajo Small Farmer Marketing	A study to develop marketing opportunities and potential farm-based businesses for Navajo small farmers; estimated completion 1st Qtr. FY 2003.
Virginia - Innovative Production and Marketing Systems	A study to identify sustainable, on-farm job and income opportunities for small farmers facing dramatic change in traditional tobacco market. Completed 1st Qtr. FY 2002
Assessment of Fresh Fruit and Vegetable Distribution in Mexico	A collaborative project between ERS, Texas A&M University and AMS to study the "Impact of Chain Store Expansion on Fresh Produce Procurement Practices in Mexico." Completed 3rd Qtr. FY 2002
Florida - Marketing Opportunities for Limited-Resource Farmers	Cooperative project with NRCS and Florida A&M university to help small farmers expand marketing opportunities by selling fresh produce to local schools. Ongoing through FY 2002
Marketing Weed-Free Hay and Straw	A project to investigate specific local and regional market demands and opportunities for weed-free hay in eastern Oregon: estimated completion 1st Qtr, FY 2003.

FY 2001 Project/Activity	Status
Expanding Food Service Sales of Small-Scale Meat Processors	A project to develop practical marketing tools for small operators seeking to pursue or expand niche-marketing opportunities in value-added meat products. Estimated completion 4th Qtr. FY 2002.
Anchorage, AK Wholesale Seafood Market	Completed research project that assessed the feasibility of developing new wholesale seafood market in Anchorage: completed 2nd Qtr. FY 2002.
Santa Fe, NM Farmers Market	Ongoing technical assistance provided to City of Santa Fe to complete facility design and develop a permanent farmers market facility. Ongoing through FY 2002.
Farmers Market Survey 2000	Study of farmers markets to evaluate operational and structural characteristics and to assess the impact of farmers markets on farm revenue: Report to be published in 3rd Qtr. FY 2002
Burlington, VT Farmers Market	Phase 2 of the study of facility design of new year-round farmers market: to be completed in 4th quarter, FY 2002.
Building Sustainable Agricultural Systems Through Direct Marketing	Phase 2 of project Determining the contribution of direct marketing to farm entry and viability. Being conducted in cooperation with the California Institute for Rural Studies; Report to be published in 3rd quarter, FY 2002.
Alabama Alternative Markets, Phase 2	Cooperating with the State of Alabama Farmers Market Authority to study the feasibility of establishing collection/assembly markets at three sites. Estimated completion--FY 2003.
Montgomery, AL State Farmers Market	In cooperation with the Alabama Department of Agriculture and Industry determining the feasibility of updating and expanding market facilities. Estimated completion 4th Quarter, FY 2002.

FARMERS' MARKET

Mr. Bonilla: What is being done during fiscal year 2001, and what are the plans for fiscal year 2002, for the Santa Fe Area Farmers Market? Please update the Committee on your progress.

Response: In fiscal year 2001, AMS published a final report that outlined the feasibility of developing a permanent farmers market in Santa Fe. This report includes business plans and conceptual facility designs that market organizers and local community leaders will use to pursue construction of a new market. Market organizers have made substantial progress developing the new market based on the recommendations outlined in the initial draft report. In addition, in fiscal year 2001, the Santa Fe City Government contracted with an urban design-consulting firm to begin the master plan for this new market.

AMS continues to provide technical assistance to market planners and local farmers throughout development of the new Santa Fe Farmers Market. This technical support is expected to continue during fiscal year 2002 and into fiscal year 2003.

WHOLESALE MARKET DEVELOPMENT

Mr. Bonilla: Do you have any proposals to do additional wholesale market development projects in fiscal year 2002 and 2003?

[The information follows:]

Wholesale Market Development Projects

Community Supported Agriculture (CSA)	A study to assess the effectiveness and profitability of CSA marketing enterprises for agricultural producers.
Develop Facilities Technology	Will review past studies and current building technologies to determine the most effective designs for terminal and farmers market facilities for implementation in future feasibility studies.
New York City Wholesale Market	The New York Division of Agriculture Protection and Development Services has requested assistance in developing a wholesale market facility in New York City for farmers in New York State to sell directly to commercial businesses.
Economic Impact of Farmers Markets	This study will assess and evaluate the effect farmers markets have on farmer profits and the economic benefit generated for host communities.
Markets Demographic Analysis	A study to develop demographic and consumer information relative to new development and expansion of wholesale and farmers market facilities. The study will evaluate previous market development projects and assist market operators to better understand and target current and potential customers.
Hawaii "World Class" Farmers Market	In cooperation with Hawaii Department of Agriculture, the study will assess the feasibility of developing a year-round farmers market to showcase and market Hawaii agriculture products: estimated completion 2nd Qtr. FY 2003.
Alabama and Southeast U.S., Alternative Marketing Outlet for Limited-Resource Fish Farmers	In cooperation with Auburn University, this project would identify potential opportunities for limited-resource fish farmers in the South and Southeast to market fish outside conventional distribution channels and enhances their sales revenue.
Floral/Nursery Product Marketing Study	A study to evaluate marketing alternatives for small-scale floral and nursery stock producers.

Wholesale Market Development Projects

Birmingham AL Farmers Market	Develop conceptual designs for renovation of mixed wholesale and farmers market facility.

Mr. Bonilla: Provide a list of all ongoing wholesale market development projects and the total cost of each.

[The information follows:]

Wholesale Market Development Active Cooperative Agreements

Number/Cooperator	Title or Description	Amount & Year Funded
12-25-A-3782 Texas Agricultural Experiment Station	Identify means by which small-scale meat processors can increase sales by pursuing niche market opportunities in the restaurant sector.	FY 2000 $25,000
12-25-A-3861 University of Vermont	Conduct Regional Study of Marketing Opportunities for Producers of Agricultural Products - Northeast SARE	FY 2000 $55,617
12-25-A-3869 University of Georgia	Conduct Regional Study of Marketing Opportunities for Producers of Agricultural Products - Southern SARE	FY 2000 $62,708
12-25-A-3870 Utah State University	Conduct Regional Study of Marketing Opportunities for Producers of Agricultural Products - Western SARE	FY 2000 $60,000
12-25-A-3871 Vermont Department of Agriculture Food & Markets	Vermont Farmers Market Design Feasibility Study	FY 2000 $35,000
12-25-A-3877 EBT Project	Pilot Demonstration of Wireless Handheld Point of Sale Technology to Facilitate the Use of Electronic Benefits Transfer (EBT) by Food Stamp Beneficiaries in Community Farmers Markets	FY 2000 $117,079
12-25-A-3881 Commodity Growers Cooperative Association	Market Diversification Opportunities for Burley Tobacco Farmers in Kentucky, Ohio, Indiana, West Virginia, & Missouri	FY 2000 $25,000
12-25-A-3882 Regents of the University of California	Professional Development Curriculum for Farmers Market Management-Phase II	FY 2000 $25,000
12-25-A-3883 Alabama Department of Agriculture & Industries	Determine the feasibility of updating and expanding the farmers market facility	FY 2000 $25,000
12-25-A-3884 University of Nebraska	Conduct Regional Study of Marketing Opportunities for Producers of Agricultural Products-North Central SARE	FY 2000 $71,044
12-25-A-3887 Virginia Polytechnic University	Innovative Production and Marketing Systems to Provide Small Farmers with Sustainable Job and Income Opportunities	FY 2000 $30,000
12-25-A-3901 Alabama Farmers Market Authority	Alabama Collection Market Feasibility Study	FY 2000 $25,000
12-25-A-3949 California Institute of Rural Studies	The Contribution of Direct Marketing to Farm Entry and Farm Viability in California-Phase II	FY 2001 $30,000

Wholesale Market Development Active Cooperative Agreements		
Number/Cooperator	**Title or Description**	**Amount & Year Funded**
12-25-A-3963 World Trade Center Alaska	South Central Alaska Seafood (fresh and live) Distribution Assessment and Facility Development Study	FY 2001 $50,000
12-25-A-3988 Friends of the Farmers Market	Market Expansion Potential for the Lexington Farmers Market	FY 2001 $10,000
12-25-A-4012 University of Maryland Coop	Determine how a cooperative can research and effectively market various specialty products to an ethnic group	FY 2001 $10,000
12-25-A-4013 NAPMM	Wholesale Produce Market Directory - Greenbook	FY 2001 $12,500
12-25-A-4015 Alabama Farmers Market Authority	Conduct a feasibility study regarding the establishment of collection markets in Houston County, Geneva County, and Jefferson County	FY 2001 $25,000
12-25-A-4016 University of Georgia Research Foundation	Conduct a research study to develop models and simulations of the fresh produce marketing systems in the United States	FY 2001 $59,500
12-25-A-4075 World Trade Center Alaska	Assist World Trade Center Alaska in convening a 2-day conference that includes participants from seafood production organizations, transportation services, cooperative extension, local and state government, producers, processors, and other related persons	FY 2002 $5,000

RESEARCH AND PROMOTION

Mr. Bonilla: Please update the table that appears in last year's hearing record showing payments by research and promotion boards for OGC services to include fiscal year 2001 actual and fiscal years 2002 and 2003 estimates.

[The information follows:]

Research and Promotion
OGC Legal Services Costs

	FY 2001 Actual	FY 2002 Estimate 1/	FY 2003 Estimate
National Dairy Board	$ 2,316	$2,380	$ 2,380
Egg Board	1,513	1,555	1,555
National Pork Board	15,003	15,420	15,420
National Cattlemen's Board	17,211	17,689	17,689
Honey Board	3,643	3,744	3,744
Cotton Board	3,021	3,105	3,105
Potato Board	588	605	605
Watermelon Board	5,666	5,824	5,824
Soybean Board	319	327	327
Mushroom Board	8,212	8,440	8,440
Fluid Milk Board	554	570	570
Fresh Cut Flowers Board	222	0	0
Popcorn Board	222	228	228
Avocado Board	12,900	13,259	13,259
Peanut Board	2,865	2,944	2,944
Lamb Board	5,599	5,755	5,755
Blueberry Board	1,126	1,158	1,158
Total	$80,981	$83,300	$83,300

1/ FY 2002 estimates are based on the FY 2001 hours billed plus known or anticipated activities (for example, referenda, major regulation changes, court cases, etc.).

Mr. Bonilla: Provide a list of all research and promotion programs that receive funding from FAS, including how much each receives, for fiscal year 2001 and estimates for fiscal year 2002 and 2003.

[The information follows:]

FAS Funding to Research and Promotion Programs

R&P Programs	FY 2001 (Actual)
Honey	$101,558
Popcorn	215,548
Potatoes	1,603,806
Watermelon	111,211
Blueberries	77,092
Total	**$2,109,215**

Note: Estimated funding levels for fiscal year 2002 and 2003 are not yet available. FAS has an application process for these funds and submitted applications were due March 11, 2002. The funding will be awarded in June 2002. Each year the level of funding changes due to available funding and the number of applicants.

REFERENDA

Mr. Bonilla: Are there any referendums scheduled for 2002? If so, give the Committee a status on each one for the record.

Response: AMS conducted a referendum for the National Honey Board from February 4 to March 8, 2002. A referendum for the implementation of the Hass avocado research and promotion program will be held this year and a referendum may be conducted in 2002 for the proposed Mango research and promotion program.

AMS expects to hold continuance referenda on marketing orders for Hawaiian papayas in March, Florida citrus in April, Florida avocados and California kiwifruit in June, and Florida limes in September or October. As required by the Cotton Research and Promotion Act, USDA will allow all eligible cotton producers and importers to request a continuance referendum through a sign-up period scheduled for the summer of 2002.

Referenda on proposed amendments to marketing orders includes tart cherries in April or May and Washington/Oregon winter pears that is not yet scheduled. A referendum on cranberries may also be held later this year.

In determining producer approval for recommended changes to the Federal milk orders, AMS holds either a polling of dairy cooperatives or a referendum. A polling of dairy cooperatives is under way to determine producer approval of changes to the pooling provisions of the Upper Midwest order. In addition, AMS expects to conduct another polling of

cooperatives this year for the Central, Pacific Northwest, and Western orders relating to changes to the pooling provisions of each order. AMS expects to conduct a referendum for the Mideast order this year that also relates to pooling provisions. Finally, AMS expects to have a polling in 9 of the 11 orders and a referendum in the other two orders to determine producer approval of the suggested changes in the Class III and Class IV pricing formulas.

FEDERAL SEED ACT

Mr. Bonilla: Update the table that appears in last year's hearing record showing the number of new complaints and the amount of penalties assessed under the Federal Seed Act to include fiscal year 2001.

[The information follows:]

FEDERAL SEED ACT PROGRAM

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Complaints	532	459	506	339	492	402
Penalties	$42,500	$27,450	$44,175	$51,525	$77,200	$23,275
Cases Pending	559	509	525	560	623	515
Resolved Administratively	112	77	101	48	150	55

PAYMENTS TO STATES AND POSSESSIONS

Mr. Bonilla: Please update the table that appears in last year's hearing record showing obligations by geographic area to include fiscal years 1996 through 2001.

[The information follows:]

PAYMENTS TO STATES AND POSSESSIONS STATE-BY-STATE FUNDING TABLE

	Fiscal Year					
State	1996	1997	1998	1999	2000	2001
Alabama	- -	- -	- -	$48,000	- -	50,000
Alaska	- -	- -	- -	49,870	- -	62,000
Arizona	$50,000	$55,000	$36,000	- -	42,000	- -
Arkansas	- -	- -	- -	- -	59,600	- -
California	62,000	20,390	110,300	50,000	- -	86,900
Colorado	- -	50,180	60,000	32,000	40,000	- -
Connecticut	- -	13,000	- -	75,000	- -	- -
Delaware	29,640	33,140	- -	- -	- -	- -
Florida	- -	35,000	- -	57,000	- -	80,600
Georgia	- -	69,140	- -	- -	- -	- -
Hawaii	69,166	- -	- -	- -	64,000	- -
Idaho	84,450	- -	- -	24,989	65,000	20,000
Illinois	98,000	125,802	- -	80,000	58,000	- -
Indiana	- -	- -	- -	- -	78,000	- -
Iowa	- -	- -	25,000	- -	55,000	35,000
Kansas	- -	52,800	- -	- -	55,000	- -

State	1996	1997	1998	1999	2000	2001
Kentucky	60,000	- -	- -	90,000	- -	- -
Louisiana	- -	55,000	- -	- -	65,300	- -
Maine	- -	- -	23,200	42,000	- -	- -
Maryland	- -	67,000	53,000	- -	- -	45,700
Massachusetts	26,270	- -	- -	89,064	55,000	17,500
Michigan	57,650	43,188	- -	- -	40,000	14,050
Minnesota	45,000	89,000	45,000	45,000	- -	14,500
Missouri	70,000	- -		- -	52,500	72,600
Montana	- -	- -	118,000		48,000	- -
Nebraska	70,000	- -	108,000	- -	33,000	- -
New Hampshire	- -	- -	- -	34,375	- -	- -
New Jersey	98,324	55,000	85,300	43,131	- -	- -
New Mexico	- -	40,000	- -	- -	- -	61,500
New York	- -	64,214	- -	84,500	- -	- -
North Carolina	50,000	- -	- -	- -	20,000	51,000
North Dakota	75,000	- -	110,000	- -	35,000	- -
Ohio	- -	- -	- -	- -	60,000	- -
Oklahoma	38,000	- -	- -	- -	80,000	- -
Oregon	- -	25,000	27,000	63,000	- -	48,500
Pennsylvania	- -	- -	40,000	75,000	31,000	60,750
Puerto Rico	- -	- -	- -	- -	- -	- -
Rhode Island	- -	- -	60,000	- -	- -	- -
South Carolina	71,500	30,000	- -	- -	- -	89,900
South Dakota	- -	- -	- -	- -	24,000	50,000
Tennessee	- -	44,014	54,685	112,000	- -	76,500
Texas	90,000	- -	102,160	- -	- -	- -
Vermont	55,000	19,856	- -	28,000	31,000	- -
Washington	- -	- -	72,000	77,071	77,800	50,000
Wisconsin	- -	73,274	70,340	- -	30,800	75,850
Wyoming	- -	140,000	- -	- -	- -	25,000
Total	1,200,000	1,200,000	1,199,985	1,200,000	1,200,000	1,347,000

EMERGENCY SURPLUS REMOVAL

Mr. Bonilla: Update the tables that appear in last year's record showing the amounts expended for Emergency Surplus Removal and Disaster Relief to include fiscal year 2001.

[The information follows:]

Emergency Surplus Removal
(Dollars in thousands)

Fiscal Year	*Amount*
1992	102,928
1993	63,399
1994	78,452
1995	96,679
1996	56,172
1997	100,947
1998	194,774
1999	144,484
2000	200,215
2001	200,234

Disaster Relief
(Dollars in thousands)

Fiscal Year	Amount
1992	11,175
1993	4,636
1994	3,463
1995	530
1996	1,168
1997	2,150
1998	15,200
1999	7,014
2000	0
2001	0

SURPLUS REMOVAL

Mr. Bonilla: The Secretary has the authority to use section 32 funds to remove surplus commodities from the market and bolster producers prices. Provide a list of each time the Secretary used this authority and the amount used for fiscal year 2001 and to date in fiscal year 2002.

[The information follows:]

REMOVAL OF SURPLUS COMMODITIES
Fiscal Year 2001

Item	Dollars in Millions
Almonds	$6.1
Apple products	14.1
Apricot products	4.6
Asparagus	1.3
Beans	3.0
Beef, Ground	2.9
Black-eyed Peas	2.3
Blueberries	10.6
Cherries	15.3
Cranberry Products	12.0
Dates	1.9
Lamb	9.8
Peaches	7.7
Plums	4.9
Potatoes	36.0
Raisins	27.5
Raspberries	1.2
Salmon	8.2
Sweet Potatoes	2.8
Tomatoes	5.6
Trail mix	13.4
Walnuts	9.0
Total	$200.2

REMOVAL OF SURPLUS COMMODITIES
Fiscal Year 2002 Emergency Surplus Purchases
Authorized Through April 5, 2002

Item	Dollars in Millions
Beef	$30.0
Catfish	6.0
Cherries, Tart	20.0
Fowl Meat	10.0
Lamb	1.6
Pears, Canned	10.3
Raisins	28.8
Raspberries and Blackberries	2.6
Salmon	7.8
Total	$117.1

EXPORT PURCHASES

Mr. Bonilla: Were any export purchases made in fiscal year 2001? If so, please list the commodities and which countries received the purchases.

Response: AMS did not make any export purchases in fiscal year 2001.

SECTION 32

Mr. Bonilla: Provide an updated table of section 32 commodity purchases showing fiscal year 1996 through 2001.

[The information follows:]

SECTION 32 COMMODITY PURCHASES
(Dollars in thousands)

	1996	Actual	1997	Actual	1998	Actual	1999	Actual	2000	Actual	2001	Actual
Item	Pounds	Oblig.	Pounds	Oblig.	Pounds	Oblig.	Pounds	Oblig.	Pounds	Oblig.	Pounds	Oblig.
Almonds	--	--	--	--	--	--	--	--	7,460	$12,870	4,552	$ 6,079
Apple Juice	--	--	--	--	15,156	$3,659	--	--	10,828	2,727	31,096	8,112
Apple Slices, Canned	10,934	$4,308	13,242	$4,343	28,565	10,830	3,137	$1,029	24,206	8,596	6,645	2,444
Apple Slices, Frozen	--	--	--	--	--	--	3,215	914	3,971	984	554	143
Apples, Fresh	4,730	1,513	5,294	2,534	6,969	1,933	14,692	4,073	8,317	2,267	35,339	10,318
Applesauce	23,866	6,321	23,676	7,118	59,162	15,962	7,517	1,775	61,555	16,506	49,923	15,429
Apricots, Canned	--	--	6,751	3,565	8,004	3,611	18,870	9,657	12,987	6,961	21,908	12,150
Apricots, Frozen	--	--	--	--	--	--	1,146	647	2,335	1,359	2,888	1,804
Asparagus, Canned	--	--	--	--	--	--	--	--	--	--	1,148	728
Asparagus, Frozen	--	--	--	--	--	--	--	--	--	--	612	594
Beans, Canned	12,544	2,778	735	183	17,535	4,297	13,553	3,054	20,607	4,923	29,649	7,158
Beans, Green, Canned	--	--	--	1,291	3,880	1,013	--	--	--	--	--	--
Beans, Dry	2,213	591	--	--	20,307	5,080	2,640	636	3,144	856	28,830	8,062
Beans, Green, Frozen	--	--	1,290	440	1,973	579	1,580	490	--	--	--	--
Beans, Refried, Canned	4,933	1,504	--	--	--	--	3,557	927	--	--	4,932	1,268
Beans, Vegetarian, Canned	14,151	2,922	8,950	1,858	11,479	2,295	10,185	2,074	--	--	7,663	1,512
Beef, Canned	504	567	8,140	8,889	--	--	576	646	756	1,025	396	597
Beef, Frozen Ground	120,269	112,696	135,962	133,776	110,540	108,558	110,545	119,178	101,199	135,472	101,292	140,528
Beef Patties	27,079	26,759	29,484	28,478	16,975	17,038	25,895	30,114	10,946	14,474	11,932	17,977

Item	1996 Actual		1997 Actual		1998 Actual		1999 Actual		2000 Actual		2000 Actual	
	Pounds	Oblig.	Pounds	Oblig.	Pounds	Oblig.	Pounds	Oblig.	Pounds	Oblig.	Pounds	Oblig.
Beef Roast	3,680	6,404	6,628	9,687	12,746	26,375	10,476	16,692	210	325	126	239
Bison	--	--	--	--	356	1,299	2,020	7,126	--	--	--	--
Blackberries, Frozen	--	--	--	--	427	326	--	--	--	--	--	--
Blueberries, Frozen	13,029	10,087	--	--	7,286	4,962	--	--	--	--	13,808	10,642
Cantaloupe, Fresh	--	--	--	--	--	--	--	--	--	--	887	215
Carrots, Canned	826	226	--	--	3,005	915	--	--	--	--	--	--
Carrots, Frozen	1,940	398	--	--	4,618	1,162	--	--	1,736	480	--	--
Cheese	--	--	3,282	5,000	--	--	--	--	--	--	--	--
Cherries, Canned	1,127	479	8,807	4,254	8,454	4,829	491	308	--	--	5,570	4,269
Cherries, Dried	--	--	--	--	--	--	--	--	2,484	11,575	7,333	32,373
Cherries, Frozen	--	--	16,029	7,281	7,181	3,521	4,942	2,890	7,440	5,476	5,029	3,811
Chicken, Chilled	37,440	21,266	41,688	23,028	--	--	64,030	34,659	73,332	33,285	86,112	39,870
Chicken, Cooked	--	--	--	--	48,086	27,827	--	--	2,583	3,262	4,943	6,102
Chicken, Canned Boned	2,436	4,600	2,401	4,399	1,374	2,467	1,538	2,956	4,269	8,368	2,061	3,502
Chicken, Diced	5,457	11,688	3,322	8,464	6,336	12,941	13,108	27,212	17,906	31,925	14,094	24,572
Chicken, Frozen, Cut-Up	38,827	25,898	34,097	21,429	12,430	7,531	13,014	8,273	19,760	9,883	20,439	12,703
Chicken, Nuggets	1,600	2,440	--	--	306	460	172	273	780	542	351	256
Chicken, Patties	--	--	--	--	556	852	369	578	--	--	1,014	664
Corn, Canned	11,494	4,602	--	--	22,764	7,180	20,500	6,248	5,142	1,587	35,420	13,124
Corn, Frozen	5,607	2,367	12,489	5,248	6,240	1,915	1,977	632	5,970	2,043	5,820	1,997
Cranberries, Dried	--	--	--	--	--	--	--	--	4,393	8,595	5,365	9,219
Cranberry Apple Juice	--	--	--	--	--	--	--	--	6,594	2,273	12,513	3,815
Cranberry Juice	--	--	--	--	--	--	--	--	--	--	34,387	18,747
Cranberry Sauce Canned	--	--	--	--	--	--	--	--	--	--	7,362	3,489
Date Pieces	3,276	1,868	3,348	1,577	--	--	--	--	2,088	2,883	1,728	1,922
Egg Mix	2,600	4,746	1,280	2,846	582	997	240	438	480	898	760	1,231
Eggs, Whole, Frozen	13,272	7,623	7,110	3,815	7,063	3,931	11,876	6,192	15,053	7,184	15,032	7,117
Dried Figs	3,312	2,163	3,888	2,551	3,168	2,521	--	--	2,520	1,820	4,140	3,760
Fig Nuggets	515	422	2,336	1,315	380	268	--	--	--	--	--	--
Fig Puree	--	--	--	--	160	132	--	--	--	--	--	--
Goose Meat Frozen	--	--	--	--	--	--	--	--	586	981	--	--
Grape Juice, Canned	--	--	--	--	--	--	--	--	13,102	6,694	--	--
Grapefruit, Canned	--	--	385	102	--	--	9,620	2,386	--	--	--	--
Grapefruit, Fresh	867	149	807	154	4,809	765	7,527	1,807	618	143	2,985	545
Grapefruit Juice	--	--	11,307	2,295	12,289	2,444	--	--	--	--	25,465	5,859
Ham, Cooked, Frozen	12,210	20,671	10,136	17,558	--	--	27,169	33,056	8,551	12,953	8,627	12,997
Ham Roast	--	--	2,987	4,172	33,370	42,431	11,903	15,583	6,759	9,985	864	1,152
Lamb Roast	--	--	--	--	--	--	1,116	4,046	936	3,611	2,628	9,788
Lemons, Fresh	--	--	--	--	--	--	--	--	--	--	1,183	381
Luncheon Meat, Canned	36	50	--	--	36	52	432	464	468	624	--	--
Mixed Fruit, Canned	6,123	2,818	7,317	3,352	7,236	3,336	5,647		10,506	5,187	--	--
Onions, Fresh	--	--	--	--	--	--	--	--	--	--	1,861	356
Oranges, Fresh	6,224	1,245	4,678	1,026	9,435	1,984	--	--	2,883	615	6,703	1,513
Orange Juice, Canned	26,155	13,331	15,722	4,340	857	752	392	556	--	--	27,270	7,381
Orange Juice, Frozen	--	--	6,419	2,930	5,003	2,524	2,374	1,614	1,941	1,704	--	--
Peaches, Canned	3,418	1,566	13,357	6,643	35,731	15,009	31,424	13,267	24,874	12,400	28,355	13,723
Peaches, Frozen	756	660	4,310	3,410	12,426	8,785	11,692	8,458	26,980	21,951	18,350	15,525
Pears, Canned	23,579	9,361	--	--	4,391	2,087	14,045	6,112	82,930	39,986	44,771	21,643
Pears, Fresh	4,253	1,275	--	--	8,189	2,500	--	--	3,656	1,023	5,589	1,605
Peas, Canned	6,122	2,736	2,942	836	--	--	--	--	--	--	--	--
Peas, Frozen	6,649	2,133	4,508	1,473	3,999	1,232	5,800	2,151	--	--	--	--
Pineapple, Canned	--	--	10,797	5,714	--	--	--	--	--	--	7,518	4,301
Plums, Canned	344	117	453	169	--	--	--	--	--	--	3,512	1,959
Plums, Dried	--	--	--	--	--	--	--	--	--	--	15,510	14,516
Pork, Boneless	--	--	--	--	--	--	16,941	26,986	--	--	8,564	7,430
Pork, Canned	468	544	--	--	15,272	14,243	31,100	26,874	1,297	1,385	--	--
Pork, Rib Patty	356	381	119	135	475	433	1,008	826	288	256	--	--
Pork, Roast	--	--	--	--	7,067	10,292	--	--	--	--	5,239	7,695
Pork, Canned	468	544	--	--	15,272	14,243	31,100	26,874	1,297	1,385	--	--

Item	1996 Actual		1997 Actual		1998 Actual		1999 Actual		2000 Actual		2001 Actual	
	Pounds	Oblig.	Pounds	Oblig.	Pounds	Oblig.	Pounds	Oblig.	Pounds	Oblig.	Pounds	Oblig.
Pork, Sausage	6,649	8,555	1,789	2,344	9,450	10,095	5,425	5,196	2,643	2,617	--	--
Potato Rounds, Frozen	16,014	4,406	29,846	10,108	11,000	3,810	26,076	8,199	--	--	5,499	1,905
Potato Wedges, Frozen	8,572	2,574	28,536	7,884	10,239	3,396	19,200	5,668	--	--	13,082	3,761
Potatoes, Canned	--	--	12,295	3,982	--	--	--	--	--	--	28,173	9,278
Potatoes, Dehydrated	--	--	16,547	11,740	--	--	145	75	--	--	53,491	30,617
Potatoes, Fresh	8,000	1,528	3,440	412	3,518	487	--	--	--	--	54,316	10,742
Potatoes, Oven Fries	7,983	2,339	15,324	4,326	8,765	3,157	18,818	5,790	--	--	24,946	4,499
Potatoes, Round White	--	--	1,120	110	200	23	160	16	--	--	24,080	4,887
Prune Puree	1,857	1,571	--	--	1,913	1,514	--	--	42	49	--	--
Prunes, Dried	7,660	6,376	--	--	14,459	10,690	--	--	--	--	--	--
Raisins	--	--	--	--	12,097	6,919	--	--	--	--	38,902	27,482
Raspberry Puree	--	--	--	--	466	352	--	--	--	--	1,632	1,288
Salsa, Canned	--	--	8,540	3,788	4,513	1,774	--	--	--	--	9,606	3,537
Salmon, Canned	10,284	9,963	786	1,306	9,100	11,048	2,922	3,192	14,575	14,980	3,847	7,116
Salmon, Nuggets	1,976	2,247	--	--	266	477	722	861	646	1,000	--	--
Salmon, Pouched	--	--	--	--	262	478	599	1,006	632	1,000	674	1,984
Spaghetti Sauce	--	--	7,573	2,058	3,657	923	--	--	--	--	11,123	2,781
Strawberries, Frozen	--	--	9,358	4,625	--	--	3,173	2,112	6,994	3,924	6,607	3,634
Sweet Pot., Canned	--	--	--	--	--	--	--	--	--	--	11,017	6,371
Sweet Potatoes, Fro.	--	--	--	--	--	--	--	--	--	--	238	113
Tomato Sauce, Canned	2,356	554	8,334	1,992	2,106	511	--	--	16,599	4,842	35,324	10,598
Tomatoes, Canned	--	--	--	--	--	--	--	--	10,976	4,113	8,399	2,466
Tomatoes, Diced	--	--	7,126	1,833	3,719	1,261	--	--	--	--	--	--
Tomatoes, Fresh	--	--	--	--	--	--	--	--	--	--	3,520	1,230
Tomatoes, Paste	--	--	5,055	1,826	2,542	1,130	97	50	2,300	988	9,074	3,661
Tomatoes, Whole	--	--	--	--	1,081	347	--	--	3,120	1,036	--	--
Trail Mix	--	--	--	--	--	--	--	--	11,197	21,180	23,581	40,789
Tuna, Canned	--	--	--	--	--	--	2,041	3,955	7,336	9,998	--	--
Turkey, Burgers, Frozen	684	648	360	343	108	105	216	199	504	436	--	--
Turkey, Deli Style	--	--	2,960	5,036	11,720	16,578	--	--	--	--	--	--
Turkey, Canned Boned	--	--	--	--	1,462	3,073	--	--	--	--	--	--
Turkey, Chilled	19,080	12,278	16,308	9,172	37,192	29,489	18,396	11,286	20,952	12,848	16,308	10,045
Turkey, Frozen, Ground	19,080	10,957	16,023	8,791	6,413	3,195	11,036	5,369	4,670	2,156	179	197
Turkey, Ham	12,808	12,871	11,103	11,245	13,781	12,893	11,088	10,286	15,579	13,781	12,681	11,295
Turkey, Roast	14,250	21,055	20,453	29,215	29,920	41,150	15,493	20,483	17,298	22,580	15,700	20,175
Turkey, Sausage	585	402	507	331	--	--	527	404	390	269	--	--
Turkey, Whole, Frozen	9,272	6,378	10,733	6,968	7,975	5,363	7,599	5,509	6,079	4,250	6,120	4,073
Walnuts	--	--	--	--	2,504	4,870	2,376	3,894	4,766	7,723	4,370	9,001
Undistributed	--	1,296	--	1,139	--	248	--	998	--	18	--	719
Total	639,717	455,256	741,717	500,896	850,626	594,774	706,473	544,484	793,890	600,215	1,251,136	800,225

Mr. Bonilla: Please update the section 32 table that appears in last year's record.

[The information follows:]

SECTION 32 OBLIGATIONS LEVELS

Item	2001 Actual	2002 Estimate	2003 Estimate
Appropriation or estimate	$5,738,448,921	$6,139,942,369	$5,798,093,321
Supplemental Appropriation	200,000,000	--	--
Unobligated balance available, start of year	241,269,708	107,824,527	300,000,000
Recovery of prior year obligations	3,254,060	--	--

Item	2001 Actual	2002 Estimate	2003 Estimate
Total Available	6,182,972,689	6,247,766,896	6,098,093,321
Less transfers to: Food and Nutrition Service, Child Nutrition Programs	(5,127,579,000)	(5,172,458,000)	(5,077,748,000)
Department of Commerce	(72,827,819)	(79,126,813)	(79,127,321)
Total transfers	(5,200,406,819)	(5,251,584,813)	(5,156,875,321)
Total available after transfers	982,565,870	996,182,083	941,218,000
Less total obligations	(874,741,343)	(696,182,083)	(641,218,000)
Unobligated balance available end of year	$107,824,527	$300,000,000	$300,000,000

PERISHABLE AGRICULTURAL COMMODITIES ACT

Mr. Bonilla: Update the table that appears in last year's hearing record showing the user fees and obligations for the Perishable Agricultural Commodities Act to include fiscal year 2001 actuals and fiscal years 2002 and 2003 estimates.

[The information follows:]

PERISHABLE AGRICULTURAL COMMODITIES ACT PROGRAM
(Dollars in thousands)

Fiscal Year	Revenue	Obligations
2003 est.	$8,424	$8,948
2002 est.	8,424	8,775
2001 1/	7,297	40,868
2000	7,034	8,556
1999	7,585	8,383
1998	8,199	8,289
1997	9,344	7,907
1996	9,690	6,735
1995	7,371	7,371
1994	7,464	7,338

1/ Fiscal Year 2001 obligations include $30,450,000 of one time funding from P.L. 106-224, the Agriculture Risk Protection Act.

PERISHABLE AGRICULTURAL COMMODITIES ACT

Mr. Bonilla: Update the table in last year's hearing record showing the reparations ordered related to the Perishable Agricultural Commodities Act to include fiscal year 2001.

[The information follows:]

Perishable Agricultural Commodities Act Reparation		
Fiscal Year	**Reparation Orders**	**Dollars in Millions**
2001	482	$9.4
2000	534	12.5
1999	569	10.3
1998	669	12.0
1997	768	12.7
1996	663	12.2
1995	825	11.9
1994	1,180	17.9
1993	1,112	16.6
1992	1,217	16.1
1991	1,171	14.7
1990	1,130	12.6

Mr. Bonilla: Including fiscal year 2001, how many notices filed by unpaid sellers were there for the Perishable Agricultural Commodities Act?

Response: During fiscal year 2001, nearly 250 trust notices were filed with AMS. Trust notices preserve trust rights under provisions of the Perishable Agricultural Commodities Act.

Mr. Bonilla: Under the Perishable Agricultural Commodities Act, traders who have been found to have committed unfair trade practices face license suspensions or revocations. During fiscal year 2001, how many traders were found guilty of unfair trade practices and how many had their licenses suspended?

Response: In fiscal year 2001, 30 traders were found to have committed unfair trade practices under the Perishable Agricultural Commodities Act. Of the 30 traders, four had their PACA licenses suspended, three paid monetary penalties in lieu of a suspension, and two had their licenses revoked or had findings of repeated and flagrant violations issued against them. A finding of "repeated and flagrant"

violations imposes employment and license restrictions on the firm's principals.

ADMINISTRATIVE EXPENSES

Mr. Bonilla: Update the table that appears in last year's hearing record showing the details of the administrative expenses account to include fiscal year 2001.

[The information follows:]

ADMINISTRATIVE EXPENSES
(Dollars in Thousands)

Fiscal Year	Receipts	Expenditures	Carryover
1992	$48,774	$47,091	$18,736
1993	51,866	46,830	23,772
1994	49,127	46,652	26,248
1995	57,448	49,529	34,166
1996	51,547	46,887	38,827
1997	47,510	51,713	34,624
1998	54,796	46,948	42,473
1999	40,248	42,659	40,062
2000	47,909	45,077	42,894
2001	39,126	69,228	12,792

Mr. Bonilla: Also update the table showing the object class breakout for the limitation on administrative expenses account to include fiscal year 2001 actuals and fiscal years 2002 and 2003 estimates.

[The information follows:]

ADMINISTRATIVE EXPENSES OBJECT CLASSIFICATION
(Dollars in Thousands)

		FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate
11.1	Full-time Permanent	$12,301	$16,577	$17,092
11.3	Other than full-time permanent	7,799	9,120	9,404
11.5	Other personnel compensation	1,761	1,829	1,886
11.9	*Total Personnel Compensation*	*$21,861*	*$27,526*	*$28,382*
12.1	Personnel Benefits: Civilian	$4,177	$5,381	$7,384
13.0	Benefits for Former Personnel	1,236	2,331	2,331
21.0	Travel & Transportation of Persons	1,636	3,247	3,247
22.0	Transportation of Things	1,320	1,894	1,894
23.1	Rental payments to GSA	96	260	260
23.2	Rental payments to Others	3,095	3,452	3,452
23.3	Communications, Utilities, & Misc.	3,091	4,044	4,044

		FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate
24.0	Printing and Reproduction	29	87	87
25.2	Other Services	659	865	865
25.3	Purch. of Goods & Services from Gov.	1,600	2,100	2,100
25.7	Operation and Maintenance of Equipment	1,372	1,800	1,800
25.8	Subsistence & Support of Persons	2	3	3
26.0	Supplies & Materials	588	1,239	1,239
31.0	Equipment	371	6,367	6,367
33.0	Investments and loans 1/	28,086	--	--
42.0	Insurance Claims & Indemnities	6	--	--
43.0	Interest & Dividends	3	--	--
99.0	*Total Obligations*	*$69,228*	*$60,596*	*$63,455*

1/ Effective FY 2001, investment obligations for funds deposited in commercial banks are now shown as required by OMB. These are not considered administrative expenses subject to the limitation. All funds deposited in commercial banks are fully collateralized and not at risk.

PESTICIDE DATA PROGRAM

Mr. Bonilla: Were any agricultural use pesticides re-registered using data gathered by the pesticide data program in fiscal year 2001? Which ones?

Response: The Environmental Protection Agency, makes Pesticide re-registration decisions. The AMS Pesticide Data Program, plays a major role in the outcome of these decisions as the main data provider for two of the most critical phases of re-registration: dietary risk assessment and tolerance evaluation. In fiscal year 2001, using PDP data, EPA completed the preliminary phase of cumulative risk assessment for organophosphates. PDP provided 87 percent of the data used by EPA to derive cumulative food assessments for children 3-5 years old. EPA used PDP data for the following 22 organophosphates:

- Acephate
- azinphos methyl
- chlorpyrifos
- chlorpyrifos-methyl
- disulfoton
- diazinon
- dichlorvos
- dimethoate
- ethoprop
- fenamiphos
- malathion
- methidathion
- methamidophos
- mevinphos
- methyl-parathion
- oxydemeton-methyl
- phorate
- phosalone
- phosmet
- pirimiphos-methyl
- terbufos
- Tribufos

Pesticide re-registration is an ongoing and lengthy process in which temporary decisions may be made pending availability of new data. AMS

works closely with EPA in the planning of PDP data collection activities to ensure that data can be delivered as it is needed.

PESTICIDE RECORDKEEPING PROGRAM

Mr. Bonilla: Please update the table that appears in last year's hearing record showing states in the pesticide recordkeeping program, federal funds and state funds for fiscal year 2001.

[The information follows:]

Pesticide Recordkeeping Program
Fiscal Year 2001 (Actual)

State	Federal Funding	State Funding 1/
Alaska	$9,607	$785
Arkansas	41,322	2,175
Delaware	12,249	7,529
Florida	18,987	2,025
Hawaii	13,000	650
Idaho	63,819	2,191
Illinois	14,583	767
Indiana	17,600	1,000
Iowa	54,366	2,861
Kansas	31,086	2,000
Kentucky	60,434	3,170
Louisiana	63,200	3,160
Maine	11,453	622
Michigan	31,960	1,600
Minnesota	40,000	2,000
Mississippi	45,901	3,268
Montana	34,102	1,800
Nebraska	20,000	1,055
Nevada	12,840	508
New Jersey	20,000	1,053
New Mexico	43,171	2,273
North Carolina	41,500	5,000
Ohio	20,761	1,093
Oklahoma	74,460	3,156
Oregon	45,000	2,395
Puerto Rico	42,073	7,452
South Carolina	47,109	2,479
South Dakota	33,549	1,766
Tennessee	17,030	852
Utah	30,090	1,400
Virginia	19,845	1,004
West Virginia	23,010	1,211
Wisconsin	20,000	1,052
Federal Administration	1,501,732	--
Total	**$2,575,839**	**$71,352**

1/ Although AMS requests a minimum of 5 percent State matching funds, some States have chosen to provide funds above this amount.

TRANSPORTATION

Mr. Bonilla: How many transportation regulatory actions did AMS participate in during fiscal year 2001?

Response: AMS participated in four transportation regulatory actions before the Surface Transportation Board, STB, during fiscal year 2001. They were as follows:

STB *Ex Parte* No. 582 (Sub-No. 1): Major Rail Consolidation Procedures--Comments on the Proposed Rules. November 17, 2000.

USDA stated that STB's proposed regulations governing major rail consolidations fall short of protecting the public interest. The rules are not specific, and STB relies upon voluntary offers, negotiations, and applicant-proposed penalties. USDA suggested specific changes to the regulations to protect the interests of agricultural producers, shippers and rural communities.

STB *Ex Parte* No. 634: Consolidated Financial Reporting by Commonly Controlled Railroads. November 27, 2000.

USDA filed comments on behalf of agricultural rail shippers regarding STB's proposed requirement of consolidated financial reporting by all U.S. railroads and U.S. railroad-related affiliates. Although USDA agreed with STB that consolidated reporting would have some benefits, the Department expressed concern that consolidated financial reporting could have possible adverse effects on smaller railroads serving rural areas. Consolidated reporting of financial data could result in the re-classification of smaller railroads as either Class I or Class II railroads. This would result in greatly increased reporting requirements, as well as the application of more stringent merger rules and labor protection conditions. Although smaller railroads have preserved rail service to agricultural and other regions, they are often only marginally profitable since they typically operate lines having lower railcar traffic densities. As a result, the increased regulatory burden could affect their ability to continue serving rural areas. STB's final decision agreed with USDA's position.

STB *Ex Parte* No. 582 (Sub-No. 1): Major Rail Consolidation Procedures--Reply Comments. December 18, 2000.

USDA strongly supported STB's proposal that merging Class I railroads be required to enhance rail-to-rail competition as a condition for a proposed merger's approval. USDA is convinced that competition between rail carriers is essential to improve customer service in the railroad industry, to preserve the economic vitality of the railroad industry, and to protect shippers from the abuse of railroad market power. Due to the magnitude of economic harm further major railroad mergers could potentially inflict on shippers, communities, and other affected parties, USDA strongly opposed any decrease in the review period of proposed mergers. USDA supported the inclusion of rail alliances in the merger rules. STB's final rules greatly encourage the enhancement of rail-to-rail competition.

STB Finance Docket No. 34000: Canadian National Railway Co. *et al.*--Control--Wisconsin Central Transportation Corp. *et al.* June 25, 2001.

USDA neither opposed nor supported this merger due to concerns regarding the continuing concentration in the rail transportation market. USDA requested that if STB approved the merger application, it should include, as a condition, the agreement made between Canadian National (CN) and the National Industrial Transportation League (NITL), to alleviate many shipper concerns regarding potential abuses of railroad market power. The CN-NITL agreement provides for the protection of rates and services through existing interchanges with any rail carrier, preservation of shipper relief from bottleneck rates, an offer by CN to enter into service protection agreements with affected shippers, and the prompt resolution of any disputes by arbitration. STB approved the merger but did not include the CN-NITL agreement.

COTTON AND TOBACCO GRADING

Mr. Bonilla: You are reimbursed for the grading of cotton and tobacco. What was the actual fiscal year 2001 reimbursement for each.

Response: The cotton programs received $26.1 million for grading services during FY 2001. The tobacco programs received $11.3 million for grading services during FY 2001.

Mr. Bonilla: Provide a breakout between cotton and tobacco for fiscal years 2001, 2002, and 2003.

[The information follows:]

Cotton and Tobacco Grading Reimbursements
(Dollars in Thousands)

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate
Cotton	$27,825	$40,596	$42,455
Tobacco	11,302	20,000	21,000

ADP PURCHASES

Mr. Bonilla: What is the total amount your agency spent on ADP purchases in fiscal year 2001? What do you plan to spend in fiscal years 2002 and 2003? Include in this amount all ADP hardware and software purchases and support services.

Response: In fiscal year 2001, AMS spent a total of $10.3 million in ADP-related expenses from appropriated and user fee funds. Of this amount $3.5 million was for the one-time design and implementation costs of the Livestock Mandatory Price Reporting System. AMS also redesigned the automated billing and reporting system used in the user-funded fresh fruit and vegetable grading, programs. Of the total expended, $1.0 million was for ADP equipment, software, and support services. An additional $300,000 was spent for miscellaneous microcomputer purchases. In fiscal year 2002, AMS expects to spend $7.9 million in ADP-related costs. The projection for fiscal year 2003 is $8.5 million.

PLANT VARIETY PROTECTION ACT

Mr. Bonilla: Provide a table for the Plant Variety Protection Act that shows the number of applications received, the number of applications pending action, the number of applications approved, the number of certificates issued, and the number that expired to include fiscal year 2001.

[The information follows:]

Plant Variety Protection Program
Status of Applications

	FY 1999	FY 2000	FY 2001
Total number of applications received	430	354	292
Number of applications pending action	1,432	1,351	1,043
Number of applications approved[1]	263	326	580
Number of certificates issued	219	185	495
Number of abandoned, denied, ineligible and withdrawn	59	111	163
Number of certificates that expired	108	146	134

[1] Approved applications include the number of certificates issued, and those that are in the process of being issued.

QUALIFIED THROUGH VERIFICATION PROGRAM

Mr. Bonilla: Has the AMS established, on a voluntary user-fee basis, a Qualified through Verification (QTV) Program?

Response: Yes, AMS has established the "Qualified through Verification" program and is now transitioning it from the pilot stage to a permanent service. Improvements were made to the program based on applicant feedback and a program guide will be issued in April 2002.

Mr. Bonilla: How many applications are pending for the QTV Program?

Response: The Qualified Through Verification program currently has applications pending from nine firms.

Mr. Bonilla: Provide an update of the tables in last year's hearing record. List the active and pending QTV applicants, the date of submission of the application, and the date of approval or projected date of action.

[The information follows:]

QTV APPLICANT	DATE OF SUBMISSION	DATE OF APPROVAL
Grimmway Farms, Bakersfield, CA	June 25, 1996	January 28, 1997
Babe Farms, Inc., Santa Maria, CA	August 26, 1996	July 24, 1997
Salad Time Farms (Tanimura and Antle), Salinas, CA	May 1, 1997	November 6, 1997

QTV APPLICANT	DATE OF SUBMISSION	DATE OF APPROVAL
Salad Time (Tanimura and Antle), Yuma, AZ	November 6, 1997	December 2, 1997
Club Fresh, Sacramento, CA	March 5, 1996	January 14, 1998
Bolthouse Farms, Bakersfield (Northside), CA	July 8, 1997	June 5, 1998
Bolthouse Farms, Bakersfield (Southside), CA	July 8, 1997	February 17, 1999
Dixie Produce & Packaging, New Orleans, LA	April 24, 1998	September 2, 1998
Salad Time (T&A), Spreckles, CA	December 2, 1997	October 22, 1998
East Coast Fresh-Cuts Co., Jessup, MD	November 26, 1997	March 3, 1999
Bolthouse Farms West Plant, Bakersfield, CA	January 19, 1999	January 6, 2000
Club Fresh, Plant 2, Sacramento, CA	February 15, 2000	July 6, 2000
Natural Selections, San Juan Batista CA	March 9, 2000	September 20, 2000
Natural Selections, Yuma, AZ	March 1, 2000	January 4, 2001
Salad Time (T&A), Jackson, GA	June 6, 2001	July 20, 2001
Pending QTV Applicants	**Start Date**	**Date of Submission**
Mann Packing, Salinas, CA	October 19, 1998	1/
Prime Cuts, Hanover, MD	December 8, 1998	1/
Freshway Foods, Sidney, OH	March 20, 2001	1/
Redi-Cut Foods, Inc., Franklin Park, IL	January 7, 1998	1/
New Star, Salinas, CA & Yuma, AZ	January 26, 1999	1/
Gills Onions, Oxnard, CA	September 28, 2000	November 2, 2000
Aunt-Mid Produce, Detroit, MI	November 4, 1999	January 20, 2000
Salad Time (T&A), Montreal, CD	Pending 2/	January 15, 2002
Finest Food Company, Honolulu, HI	May 15, 2001	June 28, 2001

1/ These firms have not yet submitted their QTV plan because they are first enhancing their facilities and operations.
2/ Waiting for response from the Government of Canada.

OIG REPORT FINDINGS

Mr. Bonilla: Please provide the findings, recommendations and actions for each OIG report listed in the explanatory notes:

Response: The four OIG Reports listed in the explanatory notes were all closed by fiscal year 2001. At this time, no additional reports for actions are pending. A description of each report follows.

National Fluid Milk Processor Promotion Program (01001-1-Ch, 01001-3-Ch) - OIG's May 19, 1997 Management Alert (01001-1-Ch) made three recommendations:

1) The National Fluid Milk Processor Promotion Board (Board) should take full control of day-to-day operations for all program activities. AMS responded by sending a letter to the Board outlining AMS' position regarding the Board's responsibilities for full control of day-to-day operations for all program activities. AMS also met with the Board to clarify its responsibilities.

2) The Board should be required to permit payments only when approved and signed contracts are on file and should ensure that all contracts, subcontracts, and agreements that commit program funds are approved in a timely fashion. AMS responded by directing the Board to cease payment for contracts, subcontracts, and agreements that have not been reviewed and found acceptable by USDA. AMS also began requiring the Board to submit contracts and subcontracts to the Department for review. On April 18, 1997, AMS sent the Board Chair a copy of the Dairy Program review guidelines for the approval of contracts and budgets. One element of the guidelines states that AMS expects to complete the review process on standard contracts within a 10-day timeframe. In addition, AMS developed a new procedure for monitoring and reviewing contracts. This includes contract review procedures, database tracking, and contract status letters to the Board.

3) Recommended that AMS should ensure that the Board takes title to products acquired with Program funds. AMS responded by instructing the Board to include language regarding Board ownership of material in all future contracts, subcontracts, and/or agreements. AMS emphasized that all materials developed using Board funds are the property of the United States Government as represented by the Board. In addition, AMS requested the Office of the General Counsel to review property rights under existing contracts.

On May 30, 1997, OIG stated that no further reporting was required concerning this Management Alert.

OIG's September 23, 1998, audit report (01001-3-Ch) contained 13 recommendations which generally recommended that AMS and the Board work together to restructure the management of Board activities to ensure full compliance with the Act and the Order. OIG also recommended that the Board establish guidelines for awarding contracts and subcontracts to ensure that goods and services come from multiple sources, and that AMS continue to increase oversight of the Board activities.

AMS responded by requiring the Board to prepare a contract control system which adequately tracks all contracts and subcontracts awarded with Board funds. AMS reminded the Board that the contract control system must ensure that funds are not paid by the Board to contractors until the Board receives written notification from AMS that the contract has been approved. The Board will ensure that all contracts and subcontracts awarded with Board funds (1) clearly identify the assets created by the contract as well as the property ownership and entitlement to those assets, (2) include an access-to-records provision, and (3) contain a clause that clearly states that the contract or subcontract requires approval by USDA.

The Board amended their contract control system to facilitate identification of deliverables by the its staff. The Board's system includes the requirement that deliverables be identified and summarized on the checklist, and that staff check to ensure that deliverables have been received prior to payments. AMS approved the Board's system changes and directed them in writing to implement the system and document any waivers or extensions of time for submitting deliverables. AMS also directed the Board to ensure that budget limits are not exceeded without proper authorization.

AMS has reached agreement with OIG and the Board on all thirteen recommendations.

The OCFO has closed all thirteen recommendations from this audit as of July 2000.

Federal-State Inspection Program in Puerto Rico (01005-1-Hy) - OIG issued its report on September 10, 1998. The report contained 11 recommendations that addressed the inaccurate accounting of Federal-State Inspection funds by the Puerto Rico Department of Agriculture. OIG identified over $250,000 in fresh products inspection monies and nearly $400,000 in processed product inspection monies that were inappropriately used or accounted for. The OCFO closed this audit July 26, 2000. No further action is required by AMS.

National Pork Board (01801-1-Kc) - OIG issued its report on March 31, 1999. The OIG report contained 11 recommendations, which suggest that the Board needs to improve accountability and increase the Board's independence from the National Pork Producers Council (NPPC). The review did not disclose misuse of checkoff funds. The Board has submitted additional policy and procedures to improve their accountability and to increase their independence. The OCFO closed this audit March 30, 2000. No further action is required by AMS.

Domestic Origin Provision of the Commodity Purchase Program in California and Washington (01099-1-Sf) - OIG issued its report in February 2000. OIG's report contained 7 recommendations, which involved AMS' inability to provide reasonable assurance that purchased commodities are of 100 percent domestic origin, as well as an inability to comply with a Federal Acquisition Regulation.

OIG recommended that AMS:

1. Develop a comprehensive training program for AMS field staff obtaining adequate documentation to support the domestic origin of

purchased commodities. AMS conducted training for its National Supervisors and Regional Training for its field staff.

2. Improve written instructions by providing more detailed information about tracing domestic origin and clarifying the responsibilities of the inspectors and their supervisors. AMS issued Branch Notice No. 2902 to remind all inspectors and supervisors of AMS' responsibility for obtaining adequate documentation to support domestic origin of purchased commodities. AMS also revised File Code 147-A-1 to provide comprehensive instructions tracing domestic origin and the review process. Both instructions clarify inspector and supervisor responsibilities for tracing domestic origin documentation.

3. Issue formal instructions to Regional Directors in reviewing contract folders for domestic origin documentation. AMS issued Branch Notice 2803, which outlines their responsibilities to sample and review domestic origin documentation from facilities within the geographic area of each field office.

4. Require National Office reviewers to conduct onsite reviews of subcontractors to confirm domestic origin, when feasible. AMS revised its Domestic Origin Review Program Manual, which states that when documentation is needed from a subcontractor to trace domestic origin; the reviewer should travel to the subcontractors' place of business and personally obtain the documentation.

5. Require National Office reviewers to conduct third-party confirmations of domestic origin documentation when onsite reviews of subcontractors are not feasible. AMS revised its Domestic Origin Review Program Manual, which informs reviewers that when it is not feasible to personally obtain documentation, the reviewer must obtain third-party confirmation of the documents.

6. Furnish a copy of the class deviation to the Federal Acquisition Regulation or (FAR) Secretariat. AMS requested an opinion of the Office of General Counsel or (OGC) on the advisability of requesting an official deviation to the FAR. OGC advised AMS that they must obtain a class deviation and also consider proposing a FAR revision to accommodate its requirement.

7. Consult with OGC in proposing a revision to the FAR. AMS consulted with OGC and it was determined that a waiver request was not required.

As of March 2001, this audit was closed by OCFO. No further action is required by AMS.

GAO REPORT FINDINGS

Mr. Bonilla: Please provide the findings, recommendations, and actions for each GAO report listed in the explanatory notes.

Response: The GAO report listed in the explanatory notes closed early in fiscal year 2001. At this time, no additional reports or actions are pending. A brief description of the report follows.

Imports, Domestic Production, and Regulation of Ultra-filtered Milk (GAO-01-326) - No specific data on the amount of ultra-filtered milk imports exists because these imports fall under the broader U.S. Customs Service's classification of milk protein concentrates. Similarly, there is little data on the amount and use of domestically produced wet ultra-filtered milk in U.S. cheese-making plants. According to USDA and state sources, a total of 22 dairy plants nationwide and 4 large dairy farms in New Mexico and Texas produce wet ultra-filtered milk. FDA relies on its own inspections, and those it contracts with 37 states, to enforce its standards of identity regulations. In addition to these federally funded inspections, some states conduct their own inspections of cheese plants for compliance with standards of identity requirements under state law. FDA responded to the report and no action was required by AMS.

RESEARCH AND PROMOTION

Mr. Bonilla: Were any new research and promotion programs added in fiscal year 2001? Do you expect to add any in fiscal year 2002 or 2003?

Response: A research and promotion program was added in fiscal year 2001 for blueberries, under the administration of the U.S.A. Cultivated Blueberry Council. For fiscal year 2002, we are reviewing a mango research and promotion program proposal. In addition, AMS is conducting rulemaking on the final order for a Lamb Promotion, Research and Information Order under the Commodity Promotion, Research, and Information Act of 1996. The proposed rule on implementation of the Hass Avocado Promotion, Research, and Information Order was published in February. AMS expects to hold a referendum on the Avocado program this fiscal year.

RESEARCH COOPERATIVE AGREEMENTS

Mr. Bonilla: Update the table that appears on pages 817 and 818 of last year's hearing record on research cooperative agreements for fiscal year 2001.

[The information follows:]

Fiscal Year 2001 Research Cooperative Agreements

Agreement Number	Cooperator	Project	Amount
A-3915	Upper Great Plains Transportation Institute	Containerized Grain and Oilseed Exporters--Industry Profile and Draft Survey (Phase 1)	$15,000
A-3949	California Institute of Rural Studies	The Contribution of Direct Marketing to Farm Entry and Farm Viability in California-Phase II	$30,000
A-3963	World Trade Center Alaska	South Central Alaska Seafood (fresh and live) Distribution Assessment and Facility Development Study	$50,000

Fiscal Year 2001 Research Cooperative Agreements			
A-3981	Agriculture Transportation Research Institute	Agricultural Shippers Workshops and Semi-Annual Transportation Trends Reports	$40,000
A-3983	Upper Great Plains Transportation Institute	Grain Transportation Report Weekly Data Revision and Enhancement	$25,000
A-3986	Upper Great Plains Transportation Institute	Implementation of a Regional and Short Line Railroad Information System-Third Year	$80,000
A-3988	Friends of Farmers Market - Kentucky	Market Expansion Potential for the Lexington Farmers Market	$10,000
A-3991	African American Family Farmers, Inc.	Minority Farmer Database (Georgia)	$12,000
A-4008	Texas Agricultural Experiment Station	An Evaluation of Upper Mississippi River/Illinois Waterway Lock Congestion and Its Effect on U.S. Regional Grain Prices and International Competitiveness	$34,966
A-4012	University of Maryland Cooperative Extension	How a cooperative can research and effectively market various specialty products to an ethnic group	$10,000
A-4013	National Association of Produce Market Managers	Publish Wholesale Produce Market Directory - Greenbook	$12,500
A-4014	Upper Great Plains Transportation Institute	Grain Transportation Report--Recreating and Reformatting; Mainport Conference Co-sponsoring	$20,000
A-4015	Alabama Farmers Market Authority	Feasibility of establishing collection markets in Houston County, Geneva County, and Jefferson County	$25,000
A-4016	University of Georgia	Models and simulations of the fresh produce marketing systems in the United States	$59,500
A-4017	Washington State University	The Potential Role of Supply Chain Management to Increase the Competitiveness of America's Food and Fiber Sector	$7,000
A-4018	The Regents of the University California	Air Cargo Transport of Chilled Perishable Produce	$20,000

Fiscal Year 2001 Research Cooperative Agreements			
A-4022	Upper Great Plains Transportation Institute	Agricultural Transportation Center for Research and Innovation	$100,000

SUMMARY OF PORK PURCHASES

Mr. Bonilla: Additionally, provide a summary table, organized by the eight action areas, of the dollar amounts spent for each action by the Department using the latest financial information that is available.

Response: The eight action areas were established in 1998 by the Pork Crisis Task Force. All Task Force recommendations were completed during fiscal years 1998 and 1999.

One of those action areas recommended Section 32 surplus removal purchases of pork. AMS is continuing to purchase pork under the entitlement program for the National School Lunch Program and other Federal food nutrition programs.

[The information follows:]

Summary of Pork Purchases
USDA Agricultural Marketing Service

	Quantity	Total Cost
FY 1998 Total Purchases	99,642,439	$106,163,028
Section 32 Surplus Removal Purchases	29,246,862	$29,827,443
Entitlement Purchases	70,395,577	$76,335,585
FY 1999 Total Purchases	118,424,663	$126,746,907
Section 32 Surplus Removal Purchases	68,324,186	$77,182,685
Entitlement Purchases	50,100,477	$49,564,222
FY 2000 Total Purchases (All Entitlement Purchases)	33,006,677	$39,310,860
FY 2001 Total Purchases (All Entitlement Purchases)	23,294,489	$29,273,847
FY 2002 Total Purchases Through 3/11/02	25,500,000	$32,200,000

INTERNATIONAL TRADE PRICES AND VOLUME

Mr. Bonilla: How much did AMS spend in fiscal year 2001 to report international trade prices and trade volume?

Response: In fiscal year 2001, AMS spent $790,000 to report international trade prices and trade volume. By commodity, AMS spent $51,000 to report on dairy products; $400,000 for fruits and vegetables; $185,000 for livestock meats and grain; and $154,000 for poultry products.

PESTICIDE DATA PROGRAM

Mr. Bonilla: Please update the Committee on the agency's activities devoted to developing a rapid response capability.

Response: The Pesticide Data Program's rapid response capability is being developed for both food commodities and drinking water testing. Generally, AMS increased the funding provided to cooperating States so they could hire additional employees to increase the program's testing capacity.

AMS began collecting water samples at five treatment plants in the states of Kansas, Colorado and Texas, in addition to the California and New York water sample collection sites. AMS increased funding to Colorado and purchased scientific equipment and supplies to prepare the Colorado laboratory for drinking water testing. To streamline water sample collection operations, AMS issued a contract to a private vendor to collect all samples for this project.

Increased testing capacity for other commodities was achieved by replacing older instruments that had been in service since the program's inception. Rapid response surveys conducted during fiscal year 2001 included seasonal commodities requiring special sampling schedules due to short marketing seasons. These commodities included cherries and nectarines. Processed commodities highly consumed by children such as peanut butter, rice and tomato paste were also surveyed.

Mr. Bonilla: Please provide a table that shows spending, by agency, for pesticide use and data collection and analysis to include fiscal year 2001 actuals and fiscal years 2002 and 2003 estimates.

[The information follows:]

Pesticide Data Program Spending by Agency

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate
States [a]	$10,430,395	$10,691,148	$10,951,000
AMS [b]	$3,006,260	$2,980,852	$3,237,000
NASS [c]	$60,000	$60,000	$60,000
GIPSA [d]	$390,000	$400,000	$400,000
FSIS [e]	$40,000	$45,000	$45,000
USGS [f]	$258,000	--	--
Other [f]		$125,000	150,000
TOTAL	**$14,184,655**	**$14,302,000**	**$14,843,000**

[a] Includes 10 cooperating States
[b] Includes funding for meat/poultry testing
[c] For statistical support and data analysis
[d] For testing of peanut butter and grains (FY00 oats, FY01 rice, FY02 barley)
[e] For collection of meat/poultry samples
[f] For collection of water samples. USGS services taken over by private contractor in FY02

Pesticide use surveys are conducted by NASS.

EQUIPMENT CERTIFICATION

Mr. Bonilla: How much has AMS collected in fees for agricultural equipment and certification?

Response: In fiscal year 2001, AMS collected $191,000 for agricultural equipment certification. By commodity, AMS collected $21,000 for the evaluation of equipment used to process livestock and poultry, and $170,000 for the evaluation of equipment used to process dairy products. AMS estimates that a comparable amount will be collected in fiscal year 2003.

COMMODITY PURCHASE PROGRAM

Mr. Bonilla: Please comment on AMS actions to encourage participation of farmer cooperatives in the commodity purchase program. If you have available any statistics on such participation, please provide them for the record.

Response: AMS publishes all solicitation packages on the AMS website and also mails a complete package to prospective suppliers that have expressed an interest in our programs.

AMS purchases red meat products from one farmer cooperative on a regular basis, and we have one bison producer cooperative that was awarded two contracts this past year. For fruit and vegetable purchases, there are 37 farmer-owned cooperatives, 17 large and 20 small, identified on solicitation mailing lists, the majority of which regularly participate in purchase programs. For poultry purchases, one large farmer-owned cooperative regularly participates.

LIVESTOCK MANDATORY PRICE REPORTING

Mr. Bonilla: Provide the Committee with the latest information regarding the implementation of the Livestock Mandatory Price Reporting Act of 1999.

Response: On April 2, 2001, AMS launched the Livestock Mandatory Price Reporting program as required by the Livestock Mandatory Reporting Act of 1999. In August 2001, AMS revised the confidentiality guideline. This revision allowed the program to significantly increase the number of reports published and the volume of data contained in the reports. The revised confidentiality guideline continues to protect the identity of data providers. To further maximize the availability of information, AMS is aggregating data over extended timeframes that coincide with packer purchasing and selling practices. AMS publishes information that covers approximately 90 percent of the reports, including all cattle and hog reports, originally specified for livestock mandatory reporting. Information that is not published is primarily due to insufficient trade volume. In some instances, information is restricted because packer participation and trading practices are not sufficient to ensure confidentiality.

PESTICIDE DATA PROGRAM

Mr. Bonilla: Provide the Committee with a complete update on the Pesticide Data Program.

Response: To date, the Pesticide Data Program, PDP, has collected residue data for the following fresh commodities: apples, bananas, broccoli, cantaloupes, carrots, celery, cherries, cucumbers, grapefruit, grapes, green beans, lettuce, milk, nectarines, oranges, peaches, pears, pineapples, potatoes, soybeans, spinach, strawberries, sweet potatoes, sweet bell peppers, tomatoes, winter squash, young chickens, and beef. Commodities tested earlier in the program such as apples, carrots, bananas, broccoli, celery, peaches, and potatoes were reintroduced during fiscal year 2001. AMS reintroduced these commodities to comply with the Food Quality Protection Act requirement that data used in the reassessment of tolerances be reevaluated every five years. Processed commodities included in the program are: corn syrup; apple, grape, and orange juice; canned and frozen green beans, peas, spinach and sweet corn; canned peaches, pears and tomatoes; tomato paste; winter squash and strawberries; oats, peanut butter, and rice. In fiscal year 2002, the program reintroduced apple juice, canned peas, sweet corn, and peaches, and will begin testing applesauce, asparagus, mushrooms, onions, pear juice, barley, and beef.

In March 2001, PDP implemented the Water Monitoring Survey. The survey is being conducted in community water systems in New York and California. Samples are being collected by a private contractor and sent to the New York and California State laboratories for analysis. In January 2002, following EPA recommendations, PDP expanded the Water Monitoring Survey to include five additional sites in Colorado, Kansas and Texas. These sites represent different hydro-geological conditions and will supplement data being collected in California and New York. The data will be provided to EPA to help ensure that problems identified in the risk assessments are valid, and that any actions taken are necessary for the protection of public health and the environment.

[The information follows:]

PESTICIDE DATA PROGRAM COMMODITY HISTORY

Fresh Commodities:			
Start Date	**End Date**	**Months in Program**	**Commodity**
May-91	Dec-96	65*	Grapes
May-91	Dec-94	44	Lettuce
May-91	Dec-95	56	Potatoes
Aug-91	Dec-93	29	Grapefruit
Aug-91	Dec-96	62*	Oranges
Sep-91	Dec-96	61*	Apples

PESTICIDE DATA PROGRAM COMMODITY HISTORY

Fresh Commodities:

Start Date	End Date	Months in Program	Commodity
Sep-91	Sep-95	49	Bananas
Feb-92	Mar-94	26	Celery
Feb-92	Dec-95	47	Green Beans
Feb-92	Sep-96	55*	Peaches
Oct-92	Dec-94	27	Broccoli
Oct-92	Sep-96	48*	Carrots
Jan-95	Sep-97	30*	Spinach
Feb-95	Jan-98	3[@]	Wheat
Jan-96	Oct-98	31*	Milk
Jan-96	Jun-98	27*	Sweet Potatoes
Jul-96	Jun-99	33*	Tomatoes
Dec-96	Feb-98	2[@]	Soybeans
Jan-97	Jun-99	30	Pears
Jan-97	Jun-99	30	Winter Squash
Jan-98	Sep-00	33	Strawberries**
Jul-98	Jun-00	24	Cantaloupe
Jan-99	Dec-00	24	Cucumbers
Jan-99	Dec-00	24	Sweet Bell Peppers
May-00	Aug-01	6[1]	Cherries ***
Apr-00	Apr-01	12	Poultry-Young Chickens
Jul-00	Sep-01	6[2]	Nectarines ***
Jul-00	Jun-02	24[P]	Pineapples
Jun-01	May-02	12[P]	Beef
Oct-01	Ongoing	--	Mushrooms
Jan-02	Ongoing	--	Asparagus
Jan-02	Ongoing	--	Onions

* Excludes sampling hiatus September (partial) - November 1996
** Frozen collected when fresh unavailable
*** Sampling adjusted for market availability.
@ Crop Years
P Projected
[1] Sampling adjusted for market availability. Cherries were sampled for two years (May 00 - Aug 01)
[2] Sampling adjusted for market availability. Nectarines were sampled for two years (Jul 00 - Sep 01)

Processed Commodities:				
Start Date	**End Date**	**Months in Program**	**Commodity**	**Type**
Apr-94	Mar-96	24	Sweet Corn	Canned/Frozen
Apr-94	Jun-96	27	Peas	Canned/Frozen
Jan-96	Jun-98	27*	Green Beans	Canned/Frozen
Jul-96	Dec-98	27*	Apple Juice	Processed
Dec-96	Dec-97	13	Peaches	Canned
Jan-97	Dec-98	24	Orange Juice	Processed
Apr-97	Jun-99	27	Winter Squash	Frozen
Oct-97	Dec-98	15	Spinach	Canned
Jan-98	Jun-99	17***	Corn Syrup	Processed
Jan-98	Dec-99	24	Grape Juice	Processed
Jan-98	Sep-00	33	Strawberries	Frozen**
Jan-99	Dec-99	12	Spinach	Frozen
Jul-99	Jun-00	12	Pears	Canned
Jul-99	Jun-00	12	Tomatoes	Canned
Jul-99	Apr-00	9	Oats	Processed
Jan-00	Dec-00	12	Peanut Butter	Processed
Oct-00	Ongoing	--	Rice	Processed
Jan-01	Jun-01	6	Tomato Paste	Canned
Oct-01	Ongoing	--	Barley	Processed

* Excludes sampling hiatus September - November 1996
** Frozen collected when fresh unavailable
*** Excludes sampling hiatus January 1999

Reintroduced Fresh/Processed Fruit and Vegetables: (Previously run in PDP and reintroduced)			
Start Date	**End Date**	**Months in Program**	**Commodity**
Oct-99	Sep-01	24	Lettuce
Jan-00	Dec-01	24	Grapes
Jan-00	Dec-01	24	Green Beans
Jan-00	Dec-01	24	Oranges
Jul-00	ongoing	24[P]	Potatoes

Reintroduced Fresh/Processed Fruit and Vegetables: (Previously run in PDP and reintroduced)			
Start Date	**End Date**	**Months in Program**	**Commodity**
Oct-00	ongoing	24[P]	Apples
Oct-00	ongoing	24[P]	Carrots
Jan-01	ongoing	24[P]	Bananas
Jan-01	ongoing	24[P]	Broccoli
Jan-01	ongoing	24[P]	Celery
Jan-01	Sep-01	24	Peaches
Oct-01	ongoing	--	Peas/Canned
Oct-01	ongoing	--	Sweet Corn/Canned
Jan-02	ongoing	--	Apple Juice
Jan-02	ongoing	--	Peaches (fresh)

[P] Projected

Special Projects (Single Serving Surveys):				
Start Date	**End Date**	**Months in Program**	**Commodity**	**Analyte(s)**
Dec-96	Dec-97	13	Potatoes	Aldicarb
Jul-98	Jun-99	12	Pears	Organophosphates
Jan-99	Dec-99	12	Apples	Organophosphates
Jan-99	May-99	5	Apples	Carbamates
Jan-00	Sep-00	9	Peaches	Carbamates, Organochlorines, Organophosphates, Organonitrogens, Sulfur compounds
Special Project (Drinking Water):				
Start Date	**Projected End Date**	**Months in Program**	**Sites ***	**Analyte(s)**
Mar-01	Ongoing	--	New York** California	Carbamates, Organochlorines, Organophosphates, Organonitrogens, Sulfur compounds
Jan-02	Ongoing	--	Added San Francisco, CA, and selected sites in Colorado, Kansas, and Texas	Carbamates, Organochlorines, Organophosphates, Organonitrogens, Sulfur compounds

* Selected community water systems in California, New York, Colorado, Kansas and Texas will be sampled.

** New York City added 07/01. No sampling in Nassau/Suffolk Counties.

RESEARCH AND PROMOTION TASK FORCE

Mr. Bonilla: Has the USDA implemented recommendations of the USDA Research and Promotion Task Force that were made last year? If so, which ones? Has the AMS conducted any cost/benefit analysis of the recommendations? If so, please provide a copy for the record of those analysis and the cost implications to the affected commodity promotion boards.

Response: All of the Task Force recommendations are currently on hold.

INTERNATIONAL STANDARDS

Mr. Bonilla: I read in your testimony that as a result of funding received in fiscal year 2002, AMS is better able to ensure that U.S. agricultural interests are represented in international standards forums. What has AMS done to increase its participation at these forums?

Response: In the past, AMS could participate in international standards forums only when resources could be made available from other program areas. Beginning in fiscal year 2002, AMS has been able to send its technical experts where they are needed to represent U.S. farmers and producers in international gatherings such as:

Codex Alimentarius Committees on international standards for Milk and Milk Products, Processed Fruits and Vegetables, Fresh Fruits and Vegetables, Food Import and Export Inspection and Certification, Pesticide Residues;

United Nations Economic Commission for Europe Committees of Experts for the standardization of international grades for meat, fresh fruits and vegetables, perishable produce;

North American Free Trade Agreement Working Group on Agricultural Grading and Marketing Standards for fruit and vegetables;

International Organization for Standardization, or ISO, on Meat and Meat Product standards and ISO 9000 series standards Technical Advisory Groups;

Organization for Economic Cooperation and Development Seed Schemes, which sets requirements for agricultural seed shipments exported to Europe;

International Union for the Protection of New Varieties of Plants, or UPOV, which establishes plant breeders' rights and monitors biotechnology issues, and the **Conference of Parties to the Convention of Biological Diversity;** and the

International Seed Testing Association, which develops rules for testing of international seed trade and accredits seed laboratories. AMS is the Accreditation Authority for the United States.

AMS published **United States Trade Descriptions** of Meat and Poultry and with the goal of having U.S. trade standards adopted as the international standard.

Mr. Bonilla: How do you measure whether or not participation in these forums is a success?

Response: AMS participation in international forums is a success when non-tariff barriers are minimized for U.S. exporters and when export purchasers recognize U.S. quality descriptions on dairy products, fruits and vegetables, meat and poultry cuts, and seed. The program is successful when U.S. farmers and producers can sell their products without having to make major modifications because U.S. trade standards have been adopted for use in international trading and by increases in export volume and the types of products exported. For example, AMS' Institutional Meat Purchase Specifications are being used as the basis for developing International Meat Standards. AMS representatives are working to have U.S. trade standards for poultry meat adopted as the international standard by the United Nations Economic Commission for Europe, UN/ECE. The agency is also beginning to work with the turkey industry to develop U.S. trade descriptions for Turkey, with the goal of incorporating those standards into the UN/ECE standards.

TRANSPORTATION SYSTEM

Mr. Bonilla: Please provide some specific examples of how AMS analysis has supported the maintenance of an efficient transportation system for rural America and enhanced the overall effectiveness of the food marketing system.

Response: During FY 2001, AMS completed a cooperative agreement study entitled, "Farm-to-Market Transportation Patterns and Truck Use in the Northern Great Plains." Because transportation and marketing practices are constantly changing, it is important to develop new information regarding farm-to-market commodity flows in the Great Plains region. The study provides information about the types of trucks owned and leased by farmers and how these trucks are utilized in wheat and barley transport in the Northern Plains. The study examined the delivery practices of farmers such as destinations for wheat and barley, the timing of deliveries, and storage tendencies.

AMS is continuing the "Implementation of a Regional and Short Line Railroad Information System" for a third year. Smaller railroads are particularly important because they operate 29 percent of the Nation's rail transportation system, handle 33 percent of all grain moved by rail, and link rural agricultural production regions to markets and larger railroads.

Because of the importance of transportation by all carrier modes to the agricultural community, AMS provides weekly transportation updates to senior USDA management. These updates highlight the changes in carrier operations and practices that may affect the movement of food and agricultural commodities due to enhanced security measures.

AMS transportation and marketing analysis includes two quarterly publications: "Grain Transportation Prospects and Agricultural Ocean

Transportation Trends." Also included is the weekly "Grain Transportation Report," and follow-up work on special analyses such as "Identity Preserved Grain and Country Transportation" reports. These analyses provide important information on domestic transportation and marketing issues as well as promising foreign markets.

PESTICIDE DATA PROGRAM

Mr. Bonilla: What operational costs are expected to increase in fiscal year 2003 in the pesticide data program, and by how much?

Response: Operational costs for the participating States have increased annually at a rate of approximately seven percent. This includes increases in salaries and benefits for State employees and rising costs for sampling and testing supplies. AMS will use over half of the FY 2003 increase to offset State cost increases. The remaining funds will be used to offset increases in Federal expenditures due to increased salary and rental costs, and other contractual agreements with the private sector.

FEDERAL SEED PROGRAM

Mr. Bonilla: Please provide for the record the specific improvements required by the International Seed Testing Association. What is the timeframe to address the deficiencies highlighted in this audit? What kind of equipment would be replaced if this funding request were approved? How much of the increase of $1,111,000 would go to purchase equipment, and how much would go to pay for staff?

Response: The improvements required by the International Seed Testing Association include replacement of old and outdated seed testing equipment, improvement of laboratory facilities, and improved staffing. The deficiencies highlighted in the audit must be corrected prior to the next required audit in June 2004. Equipment to be replaced includes germinators, weighing balances, growth chambers, microscopes, and an aging computer system. Approximately 60 percent of the increase would be used to purchase new equipment, and 40 percent would be used to fill staff vacancies.

Mr. Bonilla: The explanatory notes state that "the most critical component of the Seed Act is ensuring truthful labeling of variety and germination." How does AMS enforce this provision? Are there penalties involved?

Response: Variety and germination complaints involving mislabeled seed shipped in interstate commerce are received by AMS from State seed control programs, pursuant to cooperative agreements between AMS and State Departments of Agriculture. The alleged violations identified by a State are verified by AMS laboratory analysis and, if necessary, by a field grow-out of the seed. If AMS' subsequent investigation identifies an interstate shipper as being responsible for the mislabeling, the program takes a variety of actions ranging from a letter of warning to civil prosecution. AMS usually makes an offer of a monetary settlement to the shipper in lieu of civil prosecution. Penalties depend upon the past record of the interstate shipper and payment goes to the U.S. Treasury.

Mr. Bonilla: Please provide for the record copies of the reports that are generated by the Seed Regulatory and Testing System.

Response: We will provide copies of two reports generated by the Seed Regulatory and Testing System as a representative sample. Since the system generates a large number of reports, we will also provide a list of the names of the seed reports and a short description of each.

[The information follows:]

1. *Record of Complaint* - Information about an interstate shipment of seed in violation of the Federal Seed Act (FSA) and the action taken.
2. *Federal Seed Act Case Log* - The history of regulatory action taken against a seed company under the FSA.
3. *Label 4* - The label for the test card that accompanies a FSA complaint sample during testing. The label includes the computer assigned sample number, date received, types of test required, and other pertinent information.
4. *Report of Laboratory* - A computer generated test report for the tests conducted on FSA complaint samples.
5. *Label 7* - The label for the test card that accompanies a service test sample during testing. The label includes computer assigned sample number, date received, types of tests requested, the country the seed will be exported to, and other pertinent information.
6. *AMA Billing* - A record of service test billing including certificate number and date and amount billed. This report can also provide the number of certificates billed and the total amount billed during a designated time period.
7. *Series 4 Month* - A record of the kinds of tests conducted on FSA complaint samples during a designated time period.
8. *Report of Actions* - A record of the actions taken on FSA complaints during a designated time period.
9. *Series 4 Log* - A log of the FSA complaint samples received including computer generated sample number, date the sample was received, kind and variety of seed, seed lot number, state code, state sample number, and tests to be conducted.
10. *All Samples* - A record of the number of samples received for testing as FSA complaints, service tests, field grow-out (variety), and for other reasons.
11. *Shipper Label* - Labels generated for FSA case folders including case number and pertinent information for tracking the FSA case.
12. *Series 7 Log* - A log of the service test samples received including computer generated sample number, date the sample was received, kind and variety of seed, seed lot number, country of export, types of test requested, and submitting company name.
13. *Federal Seed Analysis Certificate* - Certificate issued upon the completion of a service test that includes the test results and other information requested by the applicant of the service and required by the importing country.

United States Department of Agriculture | Agricultural Marketing Service | Livestock and Seed Program

Seed Regulatory and Testing Branch
Room 209, Building 306, BARC-East
Beltsville, MD 20705-2325
301-504-0430, FAX 301-504-8098

REPORT OF LABORATORY TEST

Tina Tillery
Seed Laboratory Manager
103 Regulatory Services Building
University of Kentucky
Lexington, KY 40546-0275

March 7, 2002

Test No.	Senders Mark	Lot No.	NAME OF SEED
4-24777	0-01-0463	DM-1	STRIATE LESPEDEZA

NAME OF SEED	VARIETY	% PURE	% GERM.	% HARD	% ABN	% DEAD	TEST DAYS
STRIATE LESPEDEZA	KOBE	96.03	62.25	22.00	3.25	12.50	14

	%	CROP/INERT/WEED
CROP	1.96	KOREAN LESPEDEZA
INERT	0.31	sclerotia, ergot, plant debris
WEED	1.48	ECHINOCHLOA SP., POLYGONUM PENSYLVANICUM, UROCHLOA PLATYPHYLLA

GERMINATION CONDITIONS

Temp.: 20-35C; Substratum: RT

GERMINATION REMARKS FOR ABNORMALS

Abnormal seedlings: no root, decayed seedlings

	pure	germ	nox	fluor	ttv	var	bio
Tests requested:	X	X					

CC: David Buckingham

AUTHORIZED SIGNATURE: _____
Richard C. Payne, Supervisor

rpt_act1

March 7, 2002

Federal Seed Act Cases - October 1, 2001 thru September 30, 2002

Complaints received:	266	
Case numbers issued:	272	
Cases made:	321	
Charge Sheets issued:	141	
DCA initiated:	16	
OGC initiated:	0	
Cases Closed		
Warning:	97	
No Action:	16	
DCA settled:	4	
OGC settled:	0	
Charge Sheet HIA:	1	
Charge Sheet Waived:	3	
DCA HIA:	0	
DCA Waived:	1	
OGC HIA:	0	
OGC Waived:	0	
Total cases closed:	122	
Company 1		$1,125
Company 2		$625
sum		$1,750
Pending cases:	842	

SECTION 32 STATE OPTION CONTRACTS

Mr. Bonilla: Please explain what 'state option contracts' are, and how are they used in the Section 32 program. How is the $5,000,000 in fiscal year 2002 being used, and how is it distributed? Have any of these funds been obligated to date? Why is there no request for this funding in fiscal year 2003?

Response: The State Option Contract, or SOC, Program is Federally administered for the purchase of further-processed commodities. USDA pays for the raw commodity component and the State pays for any other ingredients and processing costs. Under a SOC agreement, USDA pays the processor in advance for the total cost of the finished product, and the State distributing agency, in turn, reimburses the Department for the processing cost within 90 days of delivery.

Of the $5 million budgeted for FY 2002, $1.275 million has been allocated for the purchase of chicken nuggets and patties; chicken fajitas; and cooked, sliced, turkey roasts. To date, AMS has contractually obligated over $500,000 of these funds. The remainder of the funds will be allocated based on purchase plans.

Since the States reimburse these funds to AMS, the costs will be recovered, making the funds available again for use in FY 2003.

SECTION 32 UNOBLIGATED BALANCES

Mr. Bonilla: Please provide a ten-year table, including fiscal year 2003, showing Section 32 end-of-year unobligated balances.

[The information follows:]

Section 32 Unobligated Balances
(Dollars in Thousands)

Fiscal Year	*Amount*
2003 est	$300,000
2002 est	300,000
2001	107,825
2000	241,270
1999	112,630
1998	131,967
1997	233,868
1996	300,000
1995	235,129
1994	245,951

SECTION 32 PURCHASES

Mr. Bonilla: Please provide a five year table, including projected fiscal year 2002, that shows total obligations for Section 32 purchases, and obligations that were incurred in September of each fiscal year for those five years.

[The information follows:]

SECTION 32 PURCHASES
(Dollars in thousands)

Fiscal Year	Obligations	September Obligations
2002 est.	$646,863	$200,000
2001	800,225	270,984
2000	600,215	198,489
1999	544,484	187,447
1998	594,774	108,202

REMOVAL OF DEFECTIVE COMMODITIES

Mr. Bonilla: AMS plans to spend $1,000,000 in 2002 on removal of defective commodities. Have any of these funds been obligated to date? What is a defective commodity and what does AMS do with those commodities after they are removed? Why is there no request for funding in fiscal year 2003?

Response: To date, no funds have been obligated for the removal of defective commodities. A defective commodity is one that poses a health or safety risk. AMS ensures that defective commodities are either destroyed or used in non-human consumption. Defective commodities are put on hold for possible food safety problems and may be recalled. During a hold and recall process, State agencies that administer food distribution programs incur considerable expenses. The funds allocated for the removal of these commodities will be used to reimburse States for the costs they incur. The funds are also used to replace defective commodities when necessary.

AMS attempts to recoup the costs associated with holds and recalls from the responsible vendor. Once these costs are reimbursed, the funds would be available for this purpose.

SECTION 32 DIRECT PAYMENT PROGRAM

Mr. Bonilla: AMS plans to spend $17,867,307 on the Section 32 direct payment program. Have any of these funds been obligated to date? What commodities qualify for the direct payment program? How does AMS evaluate what commodities get approved for this program?

Response: To date in fiscal year 2002, AMS has obligated $2,400,000. The Secretary has approved $17,000,000 for a plum tree removal direct payment program for growers. The regulations for the plum tree removal program prohibit participants from replanting for 2 years. Additionally, the Secretary has approved $867,307 for the lamb and sheep producers direct payment program. The AMS evaluation process determines whether a particular industry segment is facing a long-term chronic oversupply, with market prices well below normal, and that the situation cannot be corrected by more conventional means.

EMERGENCY SURPLUS REMOVAL

Mr. Bonilla: AMS plans to spend $246,863,093 on emergency surplus removal in fiscal year 2002. Have any of these funds been obligated to date?

Response: To date in FY 2002 AMS has obligated $38.5 million.

SECTION 32 SPENDING

Mr. Bonilla: AMS spent $451,824,730 in fiscal year 2001 on directed purchases, emergency surplus removal, direct payment program, and diversion payment program. Please provide a breakout of these obligations by each of these categories and by commodity.

[The information follows:]

Directed Purchases

Commodity	*Amount*
Apple Juice	$5,087,681
Apples	13,547,875
Apricots	9,350,733
Beans	6,589,188
Cantaloupe	215,460
Cherries	25,668,267
Corn	9,608,971
Cranberries	6,126,313
Cranberry Apple Juice	1,955,898
Cranberry Juice	15,221,345
Figs	3,760,470
Grapefruit	382,846
Grapefruit Juice	5,859,217
Lemons	381,241
Onions	356,226
Orange Juice	7,381,383
Oranges	743,282
Peaches	8,083,477
Pears	11,978,773
Plums	11,565,532
Potatoes	19,109,537
Sweet Potatoes	3,707,677
Tomatoes	5,897,724
Trail Mix	27,411,512
Total	199,990,628

Emergency Surplus Removal

Commodity	*Amount*
Almonds	6,079,293
Apple Products	14,096,613
Apricot Products	4,613,070
Asparagus	1,321,936
Beans	2,973,997
Black-eyed Peas	2,339,412
Blueberries	10,642,108
Cherries	15,338,009
Cranberry Products	11,966,639
Dates	1,921,545

Ground Beef	2,925,662
Lamb	9,787,860
Peaches	7,691,914
Plums	4,909,851
Potatoes	35,997,287
Raisins	27,481,737
Raspberries	1,196,129
Salmon	8,199,920
Sweet Potatoes	2,776,975
Tomatoes	5,596,230
Trail Mix	13,377,204
Walnuts	9,000,711
Total	200,234,102

Direct Payment Program

Sheep and Lamb Producers	$39,700,000

Diversion Payment Program

Russet Potato Diversion	$11,900,000

LAMB GRADING AND CERTIFICATION SUPPORT

Mr. Bonilla: Why is there an increase of $585,366 for grading certification and support in fiscal year 2002? How much of the total is for grading certification and how much is for support? Is there not a funding need for grading certification and support for fiscal year 2003?

Response: The $585,366 in fiscal year 2002 represents the increase in the funds available for fiscal year 2002 as compared to expenditures in fiscal year 2001. The Secretary originally authorized $1,000,000 for grading certification services to be provided by AMS in support of the Farm Service Agency's (FSA) direct payment program for sheep and lamb producers. Expenditure of these funds was authorized for fiscal year 2000 through fiscal year 2002. In fiscal year 2001, AMS used $957,317 and the remaining $42,683 was carried over into fiscal year 2002. The Secretary approved an additional $1,500,000 at the end of fiscal year 2001. Those additional funds are available for use in fiscal year 2002 with the authority to carry any unused portion over into fiscal year 2003. Of the total $2,500,000 approved, $2,475,000 is for grading and $25,000 is for support.

AMS does not anticipate the need for additional funds. However, if the currently authorized funds are not expended in fiscal year 2002, the remaining funds will be available in fiscal year 2003 to complete the program.

FEDERAL MILK ORDER PROGRAM

Mr. Bonilla: When will AMS issue a recommended decision that will make changes to the pricing formulas used in the Federal Milk Order Program consistent with comments filed in response to the interim final decision and the U.S. District Court's ruling?

Response: Comments on the recommended decision are being reviewed and AMS expects to prepare a final decision by late summer. The decision will be subject to approval by producers in each of the 11 orders. If approved, the amended orders are expected to be effective by the end of the year.

Questions Submitted by Mr. Kingston

COMMODITY PROCUREMENT

Mr. Kingston: I mentioned to the Secretary at a previous hearing my concern about low prices and big losses in the egg industry. One of the problems is getting rid of spent hens, which have lost most of their value. Do you agree with me that we need to reduce the size of the nation's laying flock, and that USDA could help in doing that? Are you ready to work with me and the industry to develop an assistance plan?

Response: We agree that the egg industry needs to reduce the size of the nation's egg laying flock, which has grown at a rate significantly faster than domestic consumption while exports have stagnated, driving down net returns to producers. To assist the industry, AMS initiated a surplus removal program for spent fowl products last fall in addition to normal purchases of spent fowl meat products and liquid, frozen, and dried egg products.

Since October 2001, AMS has purchased a total of 18.3 million pounds of fowl meat at a cost of $34.3 million. Of these funds, $9.9 million was for bonus purchases, while $24.4 million was for entitlement purchases. We estimate that some 29 million spent hens were removed to supply those purchases. Over 90 percent of the hens were from the table egg flock, known as light fowl, with the remainder coming from the broiler breeder flock. In addition, AMS has purchased approximately $3.8 million of processed egg products since October 1, 2001, which also helps the egg industry.

The United Egg Producers have requested that USDA initiate several additional actions to assist the egg industry, including a $10 million bonus purchase of further-processed egg products. The Department is evaluating these requests.

RESEARCH AND PROMOTION

Mr. Kingston: What is marketing services doing to increase the market for various oilseeds, such as peanut, canola, cotton or soybean seeds? Such oilseeds, after they are sent through the crushing and refining process, could be used to produce oils:

(a) to combine with meat to feed livestock;
(b) for processing into human consumption; and,
(c) for exportation to other countries, to name a few.

I believe that a value added marketing development program should be implemented to create awareness about the oils produced from peanut, canola, cotton and soybean seeds. Please let me know what you are doing to help increase needed public awareness for alternative uses for these oilseeds.

Response: AMS oversees the Soybean Research and Promotion, or Soybean Checkoff program. The program's goal is to strengthen the position of soybeans in the marketplace and to maintain and expand domestic and foreign markets and uses for soybeans and soybean products. During the 2001 marketing year, U.S. soybean farmers exported a record quantity of soybeans, over 1 billion bushels.

The Soybean Checkoff program funds research on soybeans to increase domestic utilization of U.S. soybeans and soybean products. The program invests funding to develop new uses for soybeans, including biodiesel fuel, soy-based resins, lubricants, coatings, inks, adhesives, plastics, and much more. To publicize the benefits of soybeans, the program works with health professionals, nutritionists, and others in the food industry. These activities increase the consumption of U.S. soybeans and soybean products. In fact, soyfood sales grew more than 20 percent in 2001.

AMS has also funded several projects through the Federal-State Marketing Improvement Program, FSMIP, that address emerging niche market opportunities for oilseeds. In FY 2001, FSMIP awarded a grant of $41,150 to the Missouri Department of Agriculture, in cooperation with the University of Missouri-Columbia, the Missouri Corn Growers Association, the Missouri Seed Improvement Association, and the Missouri Soybean Association. The project's goal was to assess the State's production and distribution capacity for organic feed grain and soybeans and to explore export opportunities in the United Kingdom. The Missouri Department of Agriculture used the funds to assess the UK's grain and oilseed requirements in the dairy and livestock sector in terms of quantity, quality control, delivery and organic certification requirements, and to gain a better understanding of the UK organic food system from farm to consumer. They also surveyed Missouri farmers to assess their organic grain and oilseed production capability and conducted seminars for organic grain and oilseed producers on organic production and handling and USDA resources to facilitate exporting.

Another FY 2001 FSMIP grant of $48,500 was to the Oregon Raspberry and Blackberry Commission to conduct research on caneberry--blackberry and raspberry--seeds and seed oil to determine their nutraceutical properties and assess marketing opportunities for new products. The Commission completed laboratory analysis on nutraceutical properties of caneberry seeds and assessed qualities of seed oil for potential use in cooking and cosmetics. In addition, the Commission researched the level of interest in caneberry seeds and seed oil among pharmaceutical, food supplement, and food manufacturers, prepared a comprehensive report summarizing the findings, and disseminated the findings via Internet, seminars, and trade shows.

TRANSPORTATION AND MARKETING PROGRAMS

Mr. Kingston: The saltwater shrimpers who trawl the Georgia coast currently have little or no market because they are being dumped on by foreign countries. What steps is AMS taking to develop new markets for such shrimpers?

Response: AMS has not undertaken any projects specifically designed to develop markets for saltwater shrimpers. However, AMS has provided assistance to domestic producers of fish and seafood products through research projects designed to help identify and take advantage of more profitable market opportunities. In 2001, for example, AMS entered into a cooperative agreement with the Kentucky Department of Agriculture to research the cost-effectiveness of direct deliveries by a small farm aquaculture cooperative to local food service customers.

Also in 2001, AMS initiated a cooperative project with the World Trade Center Alaska to study the movement of fresh seafood harvested in South Central Alaska. This study evaluated the feasibility of organizing a seafood distribution cooperative and development of a wholesale marketing facility to serve the South Central Alaska seafood industry. Recommendations from the study include several options for local fishermen, transporters, distributors, and other industry participants that would improve the sales of fresh seafood in the region.

Finally, we would note that the National Marine Fisheries Service at the U.S. Department of Commerce has primary responsibility for working with the fishing industry in the development of new marketing opportunities.

Agricultural Marketing Service
Response to Congresswoman Kaptur's Questions
for Under Secretary Hawks

ORGANIC LABELING

Ms. Kaptur: When you talk about work being done on the National Organics Standards Program, do you currently have any plans or capabilities to label the product as one that is produced in the United States? That may help provide some additional reassurances to our consumers.

Response: Since country of origin labeling is not addressed under the Organic Foods Production Act of 1990, the National Organic Standards do not require such labeling. However, there is nothing in the National Organic Standards that would prohibit voluntary country of origin labeling.

PESTICIDE DATA PROGRAM AND INTERNATIONAL MARKETING

Ms. Kaptur: Under Secretary Hawks, you describe the Pesticide Data Program as one that will support the "international marketing of U.S. commodities by assuring foreign governments and buyers that U.S. commodities are safe for consumption." While I have no doubt that this is a true statement, what assurances are these foreign governments or our own providing to our own consumers that imported product has been produced with the same care and to the same standard? Food safety doesn't mean very much if we allow the importation of product that fails to meet the standards we impose on our own producers.

Response: The Pesticide Data Program, or PDP, provides comprehensive data on pesticide residues in the U.S. food supply, including imports. PDP samplers record origin of the sample for imported commodities with a sizable share of the U.S. market. Examples of imported commodities include cantaloupes, cucumber, grapes, green beans, peaches, and sweet bell peppers. The data collected from the U.S. food supply reflects differences in residue profiles between domestic and imports. This information is provided to the Environmental Protection Agency, EPA. EPA is charged with setting the standards, or tolerances, for maximum pesticide residue levels allowed in raw agricultural commodities available to the U.S. consumer. Except for meat, poultry and egg products, for which USDA's Food Safety and Inspection has responsibility, tolerances for all other foods, including imported and domestic foods moved through interstate commerce, are enforced by the Food and Drug Administration, FDA. All domestic and imported pesticide tolerance violations reported by PDP laboratories are provided to FDA for their follow-up. The Food Quality Protection Act requires EPA to reassess all food tolerances to meet new safety standards set by this law. These standards must be met by all food commodities available to the U.S. consumer, whether domestic or imported. EPA relies on PDP data for tolerance reassessment and takes into account the differences in residue profiles between domestic and imported product when making risk management decisions that affect the agriculture industry.

TRADE AGREEMENTS

Ms. Kaptur: To the extent that we participate in trade agreements like GATT, NAFTA, and WTO, whose health and safety standards control under these agreements? Is it the importer's, the exporter's, or some international standard?

Response: The U.S. Food and Drug Administration is the authority on the health and safety of fruits and vegetables grown in, exported from or imported into the United States. Fruits and vegetables exported from the United States must meet FDA requirements, along with any standards in the importing country. With some exceptions, Latin American and other developing countries use CODEX Alimentarius Commission health, phytosanitary and quality standards.

Ms. Kaptur: What happens under these agreements if American standards are more stringent than the international standards?

Response: When fruits and vegetables are imported into the United States, U.S. Food and Drug Administration health and safety requirements take precedence.

FARM BILL

Ms. Kaptur: While the conference on the Farm Bill is not complete, Secretary Veneman has said that she has the agencies of the Department working on how to implement the bill as quickly as possible once it is completed. Looking at the House and Senate versions of the bill, how do you believe the operations of your agency will be changed?

Response: We have not had an opportunity to review completely the new Farm Bill to determine the impact on the Agricultural Marketing Service operations.

Ms. Kaptur: How would these provisions impact you in FY 2003?

Response: We are not able to determine the impact of these provisions at this time.

Ms. Kaptur: If additional needs are generated by the Farm Bill, we will review options in coordination with the Office of Management and Budget.

Response: We will assess our need for supplemental funding once the Department has completed its analysis of the Farm Bill.

SMALL AND MEDIUM PRODUCERS

Ms. Kaptur: It has been two years since we have had these agencies before the Subcommittee, and we have all new leadership. I want to ask you the same question that I asked your predecessors: Describe for me

what is in your budget and in your agenda that is specifically for the benefit of small and medium producers. I must tell you that your prepared testimony does not really address this point.

Response: AMS continues to gives priority to supporting and undertaking market research and technical assistance projects that are expected to yield practical benefit to the small and medium-size agricultural producer. Supporting the small to medium-size agricultural sector is a direct outgrowth of our efforts to enhance the ability of U.S. agricultural producers to take advantage of market opportunities, promote improvements in producer returns from agricultural marketing ventures, and facilitate the efficient and economical distribution of U.S. food products in domestic and international markets.

We conduct or sponsor targeted market research and technical assistance projects that can be expected to shed new light on agricultural marketing issues and benefit a broad agricultural constituency. We disseminate the marketing information derived from research and technical assistance projects to the public through publications, the Internet, outreach workshops, and other accessible information resources. Much of the work we do, notably those projects funded by the Federal-State Marketing Improvement Program, or FSMIP, correspond directly to the marketing and economic development priorities of individual States and regions. These projects include initiatives aimed at identifying niche and specialty marketing alternatives for local agricultural producers seeking to diversify their production base and enhance the profitability of their operations. More than 50 percent of the funds awarded in the latest round of matching grants in FY 2001, was given to projects that were explicitly designed to benefit the small/medium-size agricultural producer. Much of the remaining matching grants were provided to projects expected to yield marketing information that could also meet the needs of small and medium-scale farm operations.

Other projects initiated under USDA's farm direct marketing initiative are specifically targeted to identify or support new marketing strategies for the small to medium-size producer. We primarily assist small agricultural shippers to improve marketing efficiency and gain access to domestic and international markets. We provide outreach workshops, newsletters, and direct assistance to small shippers about transportation rates and services, inspection, documentation, or other regulatory requirements.

Responses to Congresswoman Kaptur's Questions for
Mr. A. J. Yates, Administrator, Agricultural Marketing Service

FARMERS MARKETS

Ms. Kaptur: Mr. Yates, we all understand that first impressions are very important ones, so I must tell you that your prepared testimony leaves me very concerned because you do not even mention Farmers Markets. While you do point to concerns for the expansion of global markets, those are often of limited concern to the average producer. When AMS appeared before us two years ago, we heard a great deal about the Federal/State Marketing Improvement Program and the SARE program. We need programs that recognize the small and medium sized producers who want to provide a quality product in a local market that is often closed to them by concentration. Mr. Yates, what do you think of farmers markets? Does AMS have a mission here? Should we promote these markets, and if so how? If not, why not?

Response: Yes, AMS continues to work aggressively to support and promote the development and expansion of farmers markets as a viable alternative for small to medium-size producers to market their products. AMS has a clearly defined mission to promote and enhance the overall effectiveness of the domestic food marketing and distribution system and promote better quality and variety of products to the customer by improving market access for small to medium-size farmers. AMS works closely with State departments of agriculture, farm organizations, farmers market associations, and other producer groups to facilitate this national program.

Over the years, a number of FSMIP matching grants have been awarded to projects that address the use of locally grown farm products in school food service operations.

In FY 2000, the Iowa Department of Agriculture and Land Stewardship received a $55,000 matching grant to explore the potential for "Expanding Local Food Systems Through Direct Marketing to Iowa Institutions. One of the focal points of the project is an examination of the feasibility of supplying locally grown food products to university food service operations.

In FY 2001, the New Mexico Department of Agriculture received a $27,000 matching grant to implement a pilot farm-to-school marketing project linking three public schools and a recently established producer cooperative in north central New Mexico, monitor student acceptance and consumption of locally grown products, and establish a classroom nutrition education program.

AMS continues to promote farmers markets through a comprehensive effort that offers research, educational, and informational resources and technical assistance to customers wanting to initiate or expand markets. We have been actively supporting communities with the development of new markets and documenting growth trends. The phenomenal growth of farmers markets in recent years, from less than 1,800 in 1994 to over 2,900 today, is evidence that they serve as a

very positive marketing opportunity for small farmers in the United States.

Ms. Kaptur: How many farm markets are there around the United States, and what is the value of their economic impact?

Response: Based on our most recent updates to the Farmers Market Web site, there are over 2,900 farmers markets operating in the United States. We anticipate this number may exceed 3,000 once data collection for the 2002 Farmers Market Directory is completed. Limited national data exist on the economic impact of farmers markets; however, data obtained from a recent USDA national farmers market survey indicate that 81 percent of farmers generate $10,000 or less in sales at these markets annually. The average sale per vendor is approximately $3,000. Customers spend approximately $306 per year at farmers markets.

Ms. Kaptur: Isn't it true that Farmers Markets are often the only places where consumers can purchase locally produced foods?

In many urban communities, farmers markets are one of the principal locations for consumers to purchase locally produced foods. As many of the traditional retail chain stores and food markets have abandoned these communities, farmers markets and public markets have become one of a few options for consumers to conveniently obtain fresh food products at reasonable prices.

Response: While farmers markets are a growing retail outlet for locally produced foods and AMS has been instrumental in spearheading the development of farmers markets throughout the country to enhance the access and availability of farm-fresh foods to consumers and provide alternative market outlets for small and medium-size producers, it is also important to note that farmers markets remain a relatively small component of the current U.S. food distribution system. Recent research on direct marketing channels undertaken by Cornell University with support from AMS indicates that the volume of direct sales between farmers and consumers in fresh fruits and vegetables, including farmers markets, roadside stands, and other direct marketing venues, currently represents only about 1.5 percent of total sales of fresh fruits and vegetables in the United States. This represents a slight decline from 1987 levels of 1.7 percent and clearly suggests that direct sales still represent a minor component of commercial transactions in fresh produce, the primary agricultural items sold at farmers markets.

To provide as many potential marketing options for the small to medium-size producer, farm operator, and agricultural processor as possible, AMS offers a broad slate of market research and technical assistance services aimed at enhancing the presence of locally produced foods in direct retail, institutional, and commercial food service marketing channels. This goal is accomplished by identifying business trends, practices, and potential opportunities in a variety of marketing venues.

RETAIL MARKETING

Ms. Kaptur: If one were to look at the retail grocery industry over the past five years, has it become more concentrated, making it difficult for small local stores to survive economically?

Response: Viewed on a national basis, the concentration of the U.S. retail grocery industry has continued to intensify over the past few years. Recent studies by ERS indicate that the share of grocery store sales accounted for by the largest 20 grocery retailers have risen from 37 percent in 1992 to more than 52 percent in 1999, while the share of sales for the four largest retailers have risen from 15.9 percent in 1992 to 26.5 percent in 1999.

Nonetheless, ERS also notes in its August 2000 article, "Consolidation in Food Retailing: Prospects for Consumers and Grocery Suppliers," that the growth of retail grocery concentration in specific market territories has actually lagged substantially behind the apparent growth of market concentration on the national level. To study the effects of recent consolidation on consumers, ERS compared 1992 and 1998 levels of retail sales concentration among the top four and top eight grocery retailers operating in the 100 largest metropolitan areas of the United States. On average, the results of the study indicated that retail sales concentration among the top four grocery firms operating in the same metropolitan market rose only 3.7 percent between 1992 and 1998, while the increase in concentration among the top eight grocery firms rose only 4.2 percent points between 1992 and 1998.

In part, the discrepancy between levels in local and national retail sales concentration reflects the fact that relatively few of the merging or acquired grocery firms operated in overlapping markets. Also, the Federal Trade Commission, FTC, provides another safeguard for consumers and smaller retail establishments by requiring merging or acquired firms to divest of some of their stores when they would have the effect of substantially eroding competition in a particular geographic location. For example, the FTC consent agreement in the Albertson's-American Stores merger required the divestiture of 104 Albertson's supermarkets and 40 American Stores supermarkets operating in 57 cities and towns in California, Nevada, and New Mexico. Sale of these stores provided opportunities for smaller competitors to purchase the divested supermarkets and compete in those markets.

ELECTRONIC MARKETING

Ms. Kaptur: To the extent that you are providing electronic marketing assistance to the agriculture industry, are you working with farmers' markets to provide electronic sales technology, such as credit cards and ATMs, that could also double for electronic benefit transfers in the food assistance programs?

Response: AMS has funded two recent projects to identify new technologies that support the use of wireless handheld devices to accept electronic benefit transfers in the food assistance programs. A 1999 project with New York Department of Agriculture was initiated to

develop a system that allows food stamp recipients to use part of their electronic benefits transfer allowances to shop at open-air farmers markets.

In fiscal year 1999, the New York Department of Agriculture and Markets was awarded a $42,000 FSMIP grant to create a system that would allow food stamp recipients to use a part of their food stamp allowance to shop at local farmers markets under an electronic benefits transfer system. The project was implemented at New York City farmers markets beginning in late August 2001, following industry-sponsored pilot operations in 2000 and the development of upgraded wireless equipment and services in Spring 2001. Despite system interruptions due to the events of September 11, the project is demonstrating the success of wireless electronic benefits transfers in open-air farmers markets by enabling food stamp recipients to make high speed debit card transactions with lightweight hand-held wireless point-of-sale terminals issued to individual farmers. Seventeen New York State farmers are currently participating in the project, which also permits credit and debit card transactions using the same hand-held wireless terminal used for electronic benefits transfer.

As of December 2001, wireless electronic benefits transfer terminals have been issued to 25 farmers. Eight of the farmers completed their marketing season by mid-November and have returned their terminals. Seventeen plan to continue their farmers market operations year-round at NYC markets for storage fruits and vegetables, meats, poultry, eggs, cheese, cider, baked goods—all items eligible for food stamp electronic benefits transfer purchases. Wireless operations by these farmers are currently occurring at the Union Square Greenmarket, 17th St. & Broadway, Manhattan, which operates 4 days per week.

A similar project was initiated with the Florida Department of Families and Children in fiscal year 2000. Unscheduled delays have prevented this project from achieving any meaningful results to date. AMS continues to collaborate with FNS to develop this technology and identify effective measures for implementing in farmers markets.

LINKAGES OF FOOD PURCHASES WITH NUTRITION EFFORTS

Ms. Kaptur: To what extent has AMS monitored the operation of the WIC and Seniors Farmers Market Nutrition Programs to learn of the economic impact these programs have on farmers?

Response: AMS recognizes the impact of WIC and Seniors Farmers Market Coupons on producers' sales at local farmers markets. AMS captured the relative importance of these sales in its recent national farmers market survey where it was determined that 58 percent of these markets participate in the WIC program. The Senior program had not started when the survey was initiated.

ELECTRONIC BUSINESS STANDARDS

Ms. Kaptur: Who are the likely beneficiaries of your partnering with the meat and poultry industry to establish an industry-based electronic

business standards forum? Is industry sharing in the cost of this program?

Response: The Meat and Poultry Data Standards Organization, or mpXML, is an industry forum for creating and maintaining public domain business standards to electronically trade meat and poultry products. The direct beneficiaries will be companies that sell and buy large volumes of meat and poultry, including producers, packers, processors, distributors, brokers, retailers, and foodservice and restaurant operators. mpXML is a non-profit organization funded through membership dues paid by the organization's members. AMS is one of the members and holds a permanent, non-voting seat on the Board of Directors. Indirectly, consumers should benefit as market transactions become more efficient through the use of standardized e-commerce protocols.

GLOBAL MARKET EXPANSION

Ms. Kaptur: You talk about additional support provided to producers, growers and exporters in the international marketing of U.S. food and fiber. Can you provide us with a profile of who has been helped here? Are they individual producers, companies, associations, or farmer cooperatives?

Response: AMS international marketing development activities are targeted toward industries and sectors rather than individual producers and firms. For example, AMS supports the development and acceptance of internationally recognized standards facilitating the export of U.S. agricultural products to world markets. Similarly, AMS seeks international recognition of USDA grades for agricultural products, thereby promoting access to international markets. Certification programs are used to enhance the marketability of U.S. agricultural products in foreign markets. AMS' Shipper and Exporter Assistance program provides direct benefits to exporters, with indirect benefits accruing to all segments of the production and marketing chain involved in providing the agricultural products to be exported.

While most of our programs do not directly target individual producers, individual farms and firms benefit from them. For example, our European Union Health Certification Program certifies that U.S. produced dairy and dairy containing products are eligible for export to the EU. The program services over 450 U.S. exporters, ranging from individual farms and farmer cooperatives to vertically integrated producers of dairy-containing products. AMS' Poultry Program provides export certification services for shell eggs exported to Canada, with about 27 companies currently qualified to export, many of which are individual farms.

An example of our work with limited resource farmers is our Project: United Exports. AMS sponsors workshops and other events through contacts at Historically Black Colleges and Universities, as well as with USDA's Rural Business-Cooperative Service; Foreign Agricultural Service, and Office of Outreach. To date, minority farmers in Arkansas, Mississippi, and Louisiana have eagerly embraced the project as a useful tool in their quest to enter into the agricultural global market. Processed products, fresh produce, livestock products, and

aquaculture products are among the commodities which minority farmers wish to export. In future fiscal years, efforts will be made to fulfill requests to expand Project: United Exports workshops, seminars, and presentations to Florida, Kentucky, North Carolina, Oklahoma, Tennessee, Texas, Virginia, and West Virginia.

Seed producers, seed companies, and the Association of Official Seed Certifying Agencies, or AOSCA, have been helped to export their seed products by the involvement of AMS in the Organization of Economic Cooperation and Development, OECD, Seed Schemes and the International Seed Testing Association, ISTA. AMS is the U.S. Designated Authority for the OECD Seed Schemes, through which seed is exported to Europe and other parts of the world. AMS is the U.S. Accreditation Authority for ISTA, an organization of national governments that establishes official seed testing procedures used in international trade. We also assist seed producers and exporters by offering a voluntary seed testing program that includes issuing Federal Seed Analysis Certificates. These certificates are considered export documents and must accompany exported seed going to certain countries.

Ms. Kaptur: According to your testimony, international seed shipments exported to Europe must be certified using the standards of the Organization of Economic Cooperation and Development. Can you describe these standards, and tell us whether or not there are potential issues of disclosing privately held patent information to the extent that any of these seed varieties are privately rather than publicly held?

Response: The AOSCA seed certification standards followed in the U.S. by each State seed certifying agency have been reviewed and found equivalent to the standards of the OECD Seed Schemes. Seed certification procedures for genetic purity require that seed production be documented and traceable from selection of seed stock and production fields through planting, harvesting, processing, packaging, labeling, and shipping, with inspections at designated points of the production cycle. The OECD Seed Schemes includes a list of approved varieties nominated by each member country. Varietal pedigree and privately held patent information remain confidential and are not provided when a variety is nominated for the OECD list of approved varieties.

Ms. Kaptur: As you look at global market expansion, is there a risk that you are ignoring domestic markets? For example, while officials in Ohio were looking to try to ship product to Brazil and Argentina we were seeing that the vast majority of beef consumed in Ohio was coming from other locations - a missed opportunity for our own producers.

Response: We believe that it is important to expand global markets for the benefit of all U.S. farmers and the U.S. economy. AMS activities in the international arena are needed to help U.S. producers compete in the global marketplace and do not present a risk to the provision of AMS programs in domestic markets. Overall, AMS strives to provide a balanced portfolio of services to facilitate and expand markets for agricultural products both domestically and internationally. Some AMS programs, such as the wholesale and

alternative markets program, are targeted solely to the improvement of domestic marketing opportunities. Other services, such as standardization and grading, contribute to orderly marketing of U.S. farm products regardless of whether the ultimate destination for the product is in the next town or halfway around the world. World demand for food and fiber products is increasing faster than is domestic demand, presenting an excellent opportunity for U.S producers to increase their global market share. The requested increase to expand international market news reporting will help fill a critical information gap and assist U.S. producers in identifying new marketing opportunities for export sale.

COMMODITY PURCHASES AND NUTRITION

Ms. Kaptur: AMS acquires food product for use in many of our domestic food assistance programs. The form in which these items are acquired is very important if they are going to be ultimately used. To what extent do you depend upon specifications for ordering provided to you by the Food and Nutrition Service, or do you develop your own specifications?

Response: AMS works closely with FNS to assure that commodities purchased for use in domestic food assistance programs meet specifications desired by recipients.

Ms. Kaptur: As you purchase product for the various USDA nutrition programs, how conscious are you of efforts like the 5-a-day program to improve the nutritional quality of what people eat?

Response: AMS has specified that fruit and vegetable products purchased for the National School Lunch Program and domestic food assistance outlets are low in fat, sugar and sodium. AMS will continue working to fulfill the 5-a-day mission now that USDA is officially a program participant. Between 1999 and 2002, AMS sponsored a number of food evaluations in partnership with schools in Washington, D.C.; Los Angeles, CA; and Capistrano, CA, to promote the consumption of value-added products in school lunches. Participating students, ranging from grades 3 to 12, tasted and graded food products according to aroma, color, taste and the student's willingness to eat the product again. Examples of the products include hamburgers made with cherries, pizza with sauce made with plum puree, barbecue sauce made from fig puree, peach fruit cup, trail mix, and many others. AMS analyzed the data collected and is working with FNS to advertise these new products among food recipients.

Ms. Kaptur: What guidance have you received regarding food purchases being linked to these nutrition efforts?

Response: As a result of Secretary Veneman's April 2002 signing of a Memorandum of Agreement enlisting USDA as an active partner in the 5-a-day program, AMS will team with officials of other agencies to further increase fruit and vegetable consumption among USDA food recipients.

PESTICIDE DATA PROGRAM AND GREAT LAKES WATERSHEDS

Ms. Kaptur: You have a multi-state partnership in which you are collecting and testing commodities for pesticide residues. Both Ohio and Michigan are participating in this program, and share a watershed that flows into my home community of Toledo. Have you worked to share pesticide information in this watershed area with the Natural Resources Conservation Service? If so, what have you found? If not, is this an activity that you could undertake?

Response: The USDA Pesticide Data Program, or PDP, has been producing pesticide residue data in food commodities for the past 11 years, and Ohio and Michigan are participants. The Environmental Protection Agency (EPA) is the primary customer for these data, which are used for human health risk assessments. In fiscal years 2001 and 2002, Congress provided PDP with limited funding to also produce pesticide residue data in finished drinking water (that is, tap water). The water program allocation is less than $1 million per year. In implementing water testing, PDP worked with EPA to design a survey that would provide meaningful data for human health risk assessments. The initial sampling was designed to produce data from two regions with high population density, diverse climates, and geographic conditions: New York and California. In 2002, EPA also requested monitoring data from sites in Colorado, Kansas, and Texas. If in the future funding is made available, the water program can expand to include additional sites for analyses of finished drinking water, including the Toledo area, if these data are needed by EPA. PDP water monitoring data will be published in the PDP Annual Summary 2001, at which time it will be made available to EPA, the Natural Resources Conservation Service and other stakeholders.

FEDERAL SEED PROGRAM

Ms. Kaptur: You are looking to provide more for infrastructure improvements to support and protect market competitiveness in the seed industry. Tell me what resources are being devoted to this effort by private industry.

Response: Some larger, more progressive seed companies are developing quality assurance procedures in line with ISO guidelines and are working with independent certification agencies to have their procedures approved as meeting acceptable standards. These seed companies feel that this approach to quality assurance will help them produce and sell a product that is consistently high quality and correctly labeled. However, AMS continues to have the statutory responsibility to ensure that all seed moving in interstate commerce is correctly labeled.

Ms. Kaptur: You say that there are some States that ship seeds without inspection programs. Which states do not have a program, why not, and what is the volume and types of these shipments.

Response: Some States into which seed is shipped for sale have no active seed inspection and control programs. Seed sold in these states

is virtually unregulated. Most states in the Northeast have no seed control programs because State funding for these programs has been eliminated. Most of the seed shipped into these States is planted for forage and grain to support various livestock industries, as well as grass seed used by the turf industry. Many other States across the U.S. have had reductions in their seed control programs because of cuts in State funding.

Ms. Kaptur: In our current atmosphere, isn't the interstate shipment of uninspected seeds a biosecurity risk?

Response: No, however, shipments of uninspected seed could misrepresent germination rates or possibly contribute to the spread of harmful noxious weed seeds.

Ms. Kaptur: Do you have the authority to issue regulations that would prohibit the interstate shipment of non-certified seeds? If you do, what consideration have you given to the possibility? If you do not, is there any proposal pending that would give you this authority? If there is no such proposal, what authority would you need?

Response: No, AMS does not have the authority to issue regulations that would prohibit the interstate shipment of non-certified seed. The prohibition of interstate shipments of non-certified seed would greatly disrupt the U.S. seed industry, cause severe seed shortages throughout the U.S., and have a devastating impact on U.S. agriculture.

PORK CHECK OFF PROGRAM

Ms. Kaptur: As I am sure you know, there is a provision in the FY 2002 appropriation act that prohibits the Department from using funds provided in the act to implement, maintain, or modify any producer referendum program that has not been approved by a vote of the producers themselves. The pork check off program is one such program. Even though the producers voted to end it, the Secretary negotiated a settlement to keep this program going. What action have you taken with respect to compliance with this provision of the appropriations act?

Response: USDA does not use appropriated funds to "maintain, implement, or modify a producer checkoff program." Section 1620(c)(3)(B)(iv) of the Pork Promotion, Research, and Consumer Information Act of 1985 states the National Pork Board shall use its assessment funds for administrative costs incurred by the Secretary to carry out this title, including any expenses incurred for the conduct of a referendum under this title. As such, AMS sends a monthly bill to the Board for services rendered.

Ms. Kaptur: What activities have you undertaken in the past year with respect to the pork check off program?

Response: Over the past year, AMS has been working closely with the Board to ensure that all provisions of the Settlement Agreement between the Michigan Pork Producers Association, Inc., the National Pork

Producers Council, or NPPC, the Campaign for Family Farms, et al., and USDA are met. The Settlement Agreement required the Board to establish full independence from the NPPC. The Board has instituted numerous changes to ensure that the terms and conditions of the Settlement Agreement are implemented.

The Board has adopted rules and regulations for selecting producers and importers for consideration by the National Pork Producers Delegate Body as nominees to the Board. The Board has formed a Nominating Committee to solicit, screen, and nominate candidates for consideration by the Delegate Body as nominees to the Board.

The Board has ceased all joint communications with NPPC on a national level. The Board now solely issues all of its communications. In addition, the Web sites of NPPC and the Board are now completely separate. The Board has employed sufficient staff to provide administrative services, resource management, policy development, and industry communications. Effective July 1, 2001, the NPPC staff eligible for employment by the Board became employees of the Board, expanding the Board's staff from two to approximately 80 employees. In addition, the Board and NPPC officially terminated NPPC's general contractor relationship with the Board effective June 30, 2001. The Board is now executing, administering, and managing its contracts.

The Delegate Body and NPPC, or successor or similar organizations, conducted separate annual meetings.

The Board hired, for its sole use, a Chief Executive Officer, CEO. On October 3, 2001, the Board announced the selection of Steven D. Murphy as CEO. The Board hired, for its sole use, a Chief Financial Officer, CFO. On January 3, 2002, the Board announced the selection of William Winkelman as CFO.

To give producers the opportunity to evaluate the effectiveness of the Settlement Agreement, USDA will conduct a survey in June of 2003 to determine if pork producers favor holding a referendum to determine whether the program should be continued. If a minimum of 15 percent of the producers and importers desire a referendum, USDA will conduct a referendum within 1 year. AMS is planning for the survey and currently devising the procedures under which the survey will be conducted.

USDA will continue to closely monitor the Board's activities to ensure proper independence is maintained and make preparations for the June 2003 survey.

Ms. Kaptur: Under Secretary Hawks, do you believe that the vote of the producers should be ignored, and this program be allowed to continue?

Response: USDA is very concerned about the well being of producers and their concerns. However, the referendum that was held in 2002 was not binding because it was not conducted according to the terms and conditions set forth in the authorizing legislation. Nonetheless, USDA believes the Board is taking appropriate steps to reconnect with producers and be more responsive to producers' needs. During the past year, there have been numerous changes made in the Pork check off

program as a result of the informal vote. In June 2002, USDA will provide an opportunity for producers to judge the effectiveness of the program and indicate if they would like to have a binding referendum. The producers will not have the burden of paying for the referendum as USDA will pay all costs associated with it.

MICROBIOLOGICAL DATA PROGRAM

Ms. Kaptur: I understand that you have collected baseline data on microbial occurrences that will help us further ensure the safety of our food supply. Can you tell us how you intend to use the microbiological data program, how the data will be reported, how the produce industry will be expected or able to conform, and what impact their might be on the produce industry?

Response: AMS' Microbiological Data Program, or MDP, is a baseline survey designed to provide the Food and Drug Administration, or FDA, Centers for Disease Control and Prevention, or CDC, the produce industry, and others with data on the incidence of microorganisms on fresh produce. The purpose of MDP is to provide national, baseline data that have not previously been available to industry, public health authorities, and others. Data collected will be used for research, risk modeling, and outreach to stakeholders.

The data will permit greater understanding of the nature and extent of microorganisms on produce. Based on these new data, it will be the responsibility of public health authorities, working with industry, to determine whether or to what extent additional standards may be needed. As a result of these data, the produce industry will be much better positioned to assess the appropriateness of actions that might be necessary.

Ms. Kaptur: Will the data you have gathered be used in risk assessments involving potential sources of microbial contamination from the farm to table, and will you estimate consumer exposure to pathogens on produce?

Response: Within the level of funding provided, the MDP program will be able to gather and analyze samples in a manner that yields statistically reliable results at the national level, and will allow meaningful estimates of microbiological contamination for developing risk models. This, in turn, will permit more precise focus on the types of produce and kinds of microbial contamination for which potential sources within the marketing chain could be further examined.

Ms. Kaptur: How will laboratory personnel be trained to ensure consistent and accurate reporting by the laboratories that analyze the samples?

Response: MDP samples will be tested by experienced microbiologists at AMS and State Laboratories. To ensure consistency and accuracy, the MDP program has developed standard operating procedures (SOPs) that cover sample collection, testing and data reporting requirements that all laboratories must follow. MDP has three levels of review to verify

adherence to SOPs: on-site reviews by the technical program manager, oversight reviews by a designated quality assurance officer, and a further oversight review by an AMS quality assurance microbiologist. Microbiologists trained as lead auditors to AOAC International food laboratory criteria will monitor laboratory performance through proficiency samples, with laboratories also being subject to an annual on-site review.

Ms. Kaptur: How do you assess the risk of each step in the food supply chain by testing at only some points?

Response: The sampling design for MDP provides for the collection of samples at wholesale markets and supermarket distribution centers, on a year-round random basis and over at least two growing seasons. Samples thus will be collected as close to the consumer level as is practicable. The number of samples collected by each of the participating States will reflect State population and permit estimation of consumer exposure to microorganisms of interest.

Ms. Kaptur: How will your information be developed in a form that the public is likely to understand? Will you be looking for generic risks or specific risks?

Response: AMS will confer with FDA, CDC, and industry regarding possible formats for publishing the data. We plan to provide information regarding the number of pathogenic *E. coli* and *Salmonella spp.* including serotypes found on selected produce, the virulence factors, and results of antibiotic resistance tests.

Ms. Kaptur: What work has been done to get input from other groups, including scientists and the industry, in developing standards and testing protocol?

Response: In addition to a Congressionally-mandated public meeting that was held on January 10, 2002, we have provided the following MDP outreach activities to stakeholders:

- February 1999 -- We sent a survey to 44 microbiologists in the food safety field requesting answers to specific questions concerning the scientific parameters that should be used in the MDP. The responses were considered in MDP program development.

- On November 30, 2000, we sent letters to the presidents of industry associations announcing the Microbiological Data Program and inviting their participation in the development of the Program. The letters were sent to: Western Growers Association; International Fresh-Cut Produce Association; Produce Marketing Association; Florida Fruit and Vegetable Association, FFVA; Texas Produce Association; and the United Fresh Fruit and Vegetable Association, UFFVA.

- February 5, 2001 -- We issued Media Advisory Press Announcement #040-01.

- January 29, 2001 -- We met with industry representatives: UFFVA; Western Growers; and the Food Marketing Institute.

- March 16, 2001 -- We presented an MDP outline at the National UFFVA meeting.

- April 2001 -- We met with representatives from Northwest Horticultural Association and FFVA.

- June 20, 2001 -- AMS, FDA and CDC held a joint meeting with industry groups represented by the Food Marketing Institute, FMI; UFFVA; and other organizations.

- We sent draft Standard Operating Procedures for comment to Western Growers, the FMI and UFFVA.

- January 30, 2002 -- We met with industry representatives, and conducted a follow-up meeting on April 15, 2002. The April meeting was also attended by a consultant from academia.

There were also numerous telephone conversations with various interested industry representatives throughout 2001 and early 2002.

Ms. Kaptur: How are you coordinating your efforts with those that may have already been made by other agencies, including the Centers for Disease Control and the Food and Drug Administration?

Response: AMS has had numerous meetings and phone conversations with CDC and FDA regarding MDP. Both agencies designated liaisons to work with AMS on MDP's program objectives and planning initiatives. AMS also has met with representatives of USDA's Cooperative State Research, Education, and Extension Service (CSREES) to ensure coordination with research they fund. Further coordination among researchers will be realized through sharing of MDP data via the USDA/Health and Human Services Joint Institute for Food Safety Research.

MDP is a "baseline" survey program while the FDA programs are designed for public health and regulatory objectives. MDP employs statistically reliable sampling plans at terminal markets and supermarket distribution centers to develop national estimates of the presence of microorganisms on specified products based on product availability in the marketplace. FDA's surveys for imported and domestic produce tend to be designed differently with different intentions for the use of the data that are generated.

Ms. Kaptur: Should contamination be found, how do you expect to respond? Will you go ahead with public information campaigns, attempt to remove product form the market, or take other steps?

Response: MDP is designed as a baseline survey, not an enforcement program. It is designed to draw inferences about national exposure to

microorganisms on produce, not inferences about microorganisms on individual production lots of produce. As Congressional language clearly directs, blind sampling will be conducted -- no information will be provided as to grower, packer, distributor, or lot number. By the time a sample could be confirmed positive for a pathogen, the product would no longer be in the marketplace. FDA and CDC will be provided data quarterly, as they have requested.

Ms. Kaptur: Do you have sufficient authority under current law to undertake this effort, or will you need additional legislation before fully implementing this program?

Response: Yes, MDP is conducted under the authority of the Agricultural Marketing Act of 1946. This Act promotes working relationships with States and industry using scientific approaches to solve agricultural marketing issues. Congressional appropriations language also clearly directs AMS to utilize its expertise in developing baseline information on the incidence of food-borne organisms on produce.

Questions Submitted by Mr. Farr

MICROBIOLOGICAL DATA PROGRAM

Mr. Farr: What question or problem is this survey (MDP) intended to solve?

Response: The number of foodborne illnesses associated with domestic and imported fresh fruits and vegetables has increased in recent years. Some microorganisms once thought under control may be adapting to their environments, developing resistance to conventional food processing operations, and re-emerging with increased pathogenicity. To respond to these concerns, Congress appropriated funds to AMS for a microbiological data collection program on domestic and imported fruits and vegetables. The Program is designed to provide nationally valid microbiological baseline data for selected produce. Through this baseline data, which will provide clearer definition of the nature and scope of the problem, industry and public health authorities will be better able to focus their efforts to address microbiological concerns.

Mr. Farr: Will MDP provide any new or relevant information towards the goal of safer fresh produce?

Response: Unlike other Federal monitoring programs, MDP will provide a nationally valid and consistent data set. Samples will be taken at wholesale markets and supermarket distribution centers, on a year-round random basis and over at least two growing seasons. The data will reflect the differences in microbial load on produce samples across varying conditions of production, transport and storage. The data will also provide an understanding of the microbial ecology of fresh fruits and vegetables moving in the farm to table continuum, and identify trends.

Mr. Farr: How will the data be used and reported?

Response: MDP is a baseline survey designed to provide the Food and Drug Administration, or FDA, Centers for Disease Control and Prevention, or CDC, the produce industry, and others with data on the incidence of microorganisms on fresh produce. Data collected will be used for research, risk modeling, and outreach to stakeholders.

Mr. Farr: To what extent will the produce industry be able to conform to or adopt standards established as a result of this program?

Response: The purpose of MDP is to provide data that have not previously been available to industry, public health authorities, and others. At this point, it is premature to speculate on what the MDP data will show. Moreover, based on these new data, it will be the responsibility of public health authorities, working with industry, to determine whether or to what extent additional standards may be needed.

Mr. Farr: What will be the broad impact on the produce industry?

Response: The data to be gathered through the MDP program will permit greater understanding of the nature and extent of microorganisms on produce. On this basis, the produce industry will be much better positioned to assess the appropriateness of actions that it or others

might deem necessary. At this point, it would be premature to speculate on any potential impact on the produce industry.

Mr. Farr: Will the resulting data be used in a risk assessment that would involve the potential sources of microbial contamination from farm to table?

Response: Within the level of funding that has been provided, the MDP program will be able to gather and analyze samples in a manner that yields statistically reliable results at the national level, and will allow meaningful estimates of exposure and assessments of risk. This, in turn, will permit more precise focus on the types of produce and kinds of microbial contamination for which potential sources within the marketing chain could be further examined.

Mr. Farr: Will the resulting data estimate consumer exposure to pathogens of various produce?

Response: Yes, the MDP data will support the estimation of consumer exposure at the national level to particular microorganisms on various types of produce. Moreover, the MDP data will enable public health authorities to make such exposure estimates based on national, statistically-based data, in addition to the more typical analyses conducted using epidemiological data gathered when an illness outbreak has been traced.

Mr. Farr: How will laboratory personnel be trained to ensure consistent and accurate data reporting by numerous laboratories that will be analyzing the MDP samples?

Response: MDP samples will be tested by experienced microbiologists at AMS and State laboratories. To ensure consistency and accuracy, the MDP program has developed standard operating procedures that cover sample collection, testing and data reporting requirements that all laboratories must follow. Adherence to these procedures is verified by three levels of review: on-site reviews by the technical program manager; oversight reviews by a designated quality assurance officer; and a further oversight review by an AMS quality assurance microbiologist. Laboratory performance will be monitored through proficiency samples, with laboratories also being subject to an annual on-site review by microbiologists trained as lead auditors to AOAC International food laboratory criteria.

Mr. Farr: Does the sampling point at various terminal markets and distribution centers accurately represent the risk caused by production methods or the actual consumer risk since this sampling point would be somewhere in the middle of the distribution chain?

Response: The sampling design for MDP provides for the collection of samples at wholesale markets and supermarket distribution centers on a year-round random basis and over at least two growing seasons. Samples thus will be collected as close to the consumer level as is practicable. The number of samples collected by each of the participating states will reflect State population and permit estimation of consumer exposure to microorganisms of interest.

Mr. Farr: Since the public does not understand the difference between generic *E. coli* and pathogenic *E. coli*, and generic *E. coli* is not a public health threat and is an unreliable indicator of pathogens on produce, why is generic *E. coli* testing included in the program?

Response: As suggested by this question, it is the pathogenic *E. coli* that are of particular interest. Generic *E. coli* are of interest as a screen to determine whether samples should be subjected to further testing for pathogenic serotypes.

Mr. Farr: If generic E. coli data is collected, will the information be included in the final annual report? If yes, what purpose would it serve towards the goal of safer produce?

Response: Final annual reports will focus on the results for pathogenic *E. coli*.

Mr. Farr: Is it appropriate to "uniform" sampling protocols across all produce products included in the program, methods for microbial detection can vary greatly by produce product types and characteristics?

Response: The purpose of uniform sampling protocols is to ensure that samples are collected in a manner that will yield national, statistically defensible results. In addition, uniform sample collection protocols are necessary to safeguard the integrity of the samples by ensuring that aseptic conditions are followed for all sampled products and to prevent accidental contamination during sample collection, shipping and handling. Laboratory testing protocols are specific to each of the pathogens and products under evaluation.

Mr. Farr: What efforts has AMS made to obtain appropriate input from affected public and private stakeholders including scientists?

Response: In addition to a Congressionally-mandated public meeting that was held on January 10, 2002, we have provided the following MDP outreach activities to stakeholders:

- February 1999 -- We sent a survey to 44 microbiologists in the food safety field requesting answers to specific questions concerning the scientific parameters that should be used in the MDP. The responses were considered in MDP program development.

- On November 30, 2000, we sent letters to the presidents of industry associations announcing the Microbiological Data Program and inviting their participation in the development of the Program. The letters were sent to: Western Growers Association; International Fresh-Cut Produce Association; Produce Marketing Association; Florida Fruit and Vegetable Association, FFVA; Texas Produce Association; and the United Fresh Fruit and Vegetable Association, UFFVA.

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- April 2001 -- We met with representatives from Northwest Horticultural Association and FFVA.

- June 20, 2001 -- AMS, FDA and CDC held a joint meeting with industry groups represented by the Food Marketing Institute, FMI; UFFVA; and other organizations.

- We sent draft Standard Operating Procedures for comment to Schramm and Williams, the FMI and UFFVA.

- January 30, 2002 -- We met with industry representatives.

There were also numerous telephone conversations with various interested industry representatives throughout 2001 and early 2002.

Mr. Farr: What efforts has the agency made to coordinate with existing efforts to test and research microbiological pathogens on fresh produce within the federal government, including the Department of Agriculture (USDA), the Food and Drug Administration (FDA), and the Centers for Disease Control and Prevention and the private and public sectors?

Response: We have had numerous meetings and phone conversations with CDC and FDA. Both agencies designated liaisons to work with AMS on MDP's program objectives and planning initiatives. We also have met with representatives of USDA's Cooperative State Research, Education, and Extension Service, or CSREES, to ensure coordination of research they fund and the MDP program. Further coordination among researchers will be realized through sharing of MDP data via the USDA and the U.S. Department of Health and Human Services Joint Institute for Food Safety Research.

Mr. Farr: Do appropriate program constraints exist that will prevent AMS from expanding MDP beyond the realm as it has been currently described to the industry? If no, should there be a process to ensure full input from the produce industry on future changes that may be implemented?

Response: As directed by Congress, MDP is a microbiological data program to establish baselines for the incidence, number and species of important foodborne pathogens and indicator organisms on frequently consumed fresh fruits and vegetables. Within this scope, it remains our intent to confer with the produce industry, other agencies of USDA, and other public health agencies in the design and operation of this program. Our interest is to avoid duplication of effort and to ensure that the data collected can be used by all interested parties.

Mr. Farr: Does this sampling effort by AMS duplicate the work already being performed by FDA'S Center for Food Safety and Applied

Nutrition (CFSAN) and an ongoing study, funded by the USDA's Initiative for Further Agriculture and Food Systems Program are already doing?

Response: No, MDP does not duplicate the work of these other agencies. MDP is a "baseline" survey program while the FDA programs are designed for public health and regulatory objectives. MDP employs statistically reliable sampling plans at terminal markets and supermarket distribution centers to develop national estimates of the presence of microorganisms on specified products based on product availability in the marketplace. FDA's surveys for imported and domestic produce tend to be designed differently with different intentions for the use of the data that are generated.

The Tri-State Fruit and Vegetable Safety Consortium, USDA's Initiative for Further Agriculture and Food Systems Program, is a project that seeks to address the issue of produce safety by performing research in the major vegetable and fruit producing States of California, Florida and Texas. It is not a national survey project. Rather, it is seeking to determine the points during production and processing of specific fruits and vegetables where pathogens are or might be introduced and the effect that certain production, processing, and environmental factors may have on contamination. MDP results will be complementary to the work of this Consortium.

Mr. Farr: How will this AMS program impact the current cooperative relationship the agency has with the produce industry?

Response: AMS enjoys a strong working relationship with the produce industry through a wide variety of programs. While the MDP program has raised concerns, we believe it will ultimately benefit the produce industry. Therefore, we foresee no lasting impact on our cooperative relationship with the industry.

Mr. Farr: What legal authority or mandate does AMS have to proceed with a microbiological sampling program of this nature?

Response: MDP is conducted under the authority of the Agricultural Marketing Act of 1946. This Act promotes working relationships with States and industry using scientific approaches to solve agricultural marketing issues. In addition, the Federal Agriculture Appropriations Bill for Fiscal Year 2001 clearly directs AMS to utilize its expertise in developing baseline information on the incidence of food-borne organisms on produce.

Mr. Farr: In light of our current "zero risk" environment, what legal and consumer confidence consequences will AMS and the participating states suffer if positive samples results are only provided in an annual report and no regulatory action to eliminate adulterated products from the marketplace?

Response: MDP is designed as a baseline survey, not an enforcement program. It is designed to draw inferences about national exposure to microorganisms on produce, not inferences about microorganisms on individual production lots of produce. As Congressional language clearly directs, blind sampling will be conducted -- no information will be provided as to grower, packer or distributor. And, by the time a sample could be confirmed positive for a pathogen, the product would no longer be in the marketplace. FDA and CDC will be provided data quarterly, as requested.

[The justifications of the budget estimates follow:]

2003 EXPLANATORY NOTES
Agricultural Marketing Service

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AGRICULTURAL MARKETING SERVICE

PURPOSE STATEMENT

The mission of the Agricultural Marketing Service (AMS) is to facilitate the strategic marketing of agricultural products in domestic and international markets, while ensuring fair trading practices and promoting a competitive and efficient marketplace, to the benefit of producers, traders, and consumers of U.S. food and fiber products. This mission is carried out through nine broad activities that encompass a wide range of programs. AMS programs promote a strategic marketing perspective that adapts product and marketing decisions to consumer demands, changing domestic and international marketing practices and technologies. About seventy percent of the funds needed to finance AMS activities are derived from voluntary user fees. AMS provides services for private industry, State, and Federal agencies on a reimbursable basis, primarily in connection with the commodity grading programs.

The nine activities are: (1) market news; (2) standards, grading, and shell egg surveillance; (3) Global Market Expansion; (4) market protection and promotion; (5) wholesale market development; (6) transportation services; (7) payments to states and possessions; (8) the Perishable Agricultural Commodities Act program; and (9) strengthening agricultural markets and producer income (Section 32).

1. Market News Service:

The market news program is carried out under the following authorities:

Agricultural and Food Act of 1981 (as amended by the Food Security Act of 1985)
Agricultural Marketing Act of 1946
Cotton Statistics and Estimates Act of 1927
Livestock Mandatory Reporting Act of 1999
Naval Stores Act
Tobacco Inspection Act of 1935
U.S. Cotton Futures Act
Peanut Statistics Act

The market news service is funded by appropriations for all but printed subscription reports. AMS collects, analyzes, and disseminates market information for numerous agricultural commodities, including cotton and cottonseed; dairy products; fruits and vegetables; livestock, meat, grains and wool; poultry and eggs; and tobacco. Market information covers local, regional, national, and international markets and includes current data on supply, movement, contractual agreements, inventories, and prices for all agricultural commodities. Market news reports provide producers and marketers of farm products and those in related industries with timely, accurate, and unbiased market information. Utilizing market news information assists in making the critical daily decisions of where and when to sell, and at what price.

Federal and State reporters obtain market information at trading points, by telephone or by electronic submission. AMS staff analyze and immediately disseminate compiled market information to the agricultural community, academia, and other interested parties using data networks, automatic telephone answering devices, facsimile machines, printed reports, radio and television, Internet, and newspaper columns. National information is integrated with local information and released in a form easily understood by the industry and locality served. AMS standards are used as the basis for reporting commodities. Subscription fees are charged for facsimile reports and mailed reports with the exception of tobacco mailed reports, which are free to producers as required by the Tobacco Inspection Act of 1935.

2. Standardization, Grading, and Shell Egg Surveillance:

These programs are carried out under the following authorities:

Agricultural Marketing Act of 1946
Cotton Statistics and Estimates Act of 1927
U.S. Cotton Futures Act
United States Cotton Standards Act
Naval Stores Act
Tobacco Inspection Act of 1935
Tobacco Statistics Act
Wool Standards Act
Dairy and Tobacco Adjustment Act of 1983
Egg Products Inspection Act
Plant Variety Protection Act

Standardization and grading activities facilitate the domestic and international marketing of agricultural commodities. To facilitate the marketing of consumer grade eggs, the Shell Egg Surveillance Program ensures that eggs moving in commerce have a quality level of at least U.S. Consumer Grade B.

a. Standardization: AMS develops, reviews, and maintains agricultural commodity standards that describe product quality attributes such as taste, color, texture, yield, weight, and physical condition for use in the trading of agricultural commodities. These standards provide a common language for buyers and sellers of commodities both here and abroad to use in marketing commodities. AMS standards constitute the basis for market reporting. These standards are used in grading cotton, milk and dairy products, eggs, fruits, livestock and meat, nuts, tobacco, poultry, and vegetables. Funds for the standardization program are appropriated.

b. Grading: The grading process involves the voluntary application of quality standards to agricultural commodities. AMS provides grading and certification services on agricultural commodities for which developed standards are available. In addition, AMS provides acceptance and condition inspection services for all agricultural commodities upon request. These services facilitate marketing by permitting purchasers to buy commodities without having to personally inspect them and by providing an impartial evaluation of the quality of products prior to their sale. AMS certification services provide assurance to buyers that the products they receive are the quantity and quality specified in their contract with the seller. AMS certificates can be used as evidence of quality and condition in a court of law to settle trade disputes. Production and quality control system audits are new services performed by AMS which reduce costs and assist the industry in marketing products under brand names. Grading, certification, and auditing activities are performed by Federal employees and Federally-supervised State employees. Grading fees provide revenue to fully fund the cost of this program.

c. Shell Egg Surveillance: In cooperation with the State departments of agriculture, shell egg handling operations are inspected at least four times yearly and hatcheries are inspected at least once yearly to control the disposition of certain types of undergrade and restricted eggs. Eggs which are not at least U.S. Consumer Grade B, and which cannot be sold in shell form, must be delivered to egg breaking plants. Funds for the Shell Egg Surveillance program are appropriated.

d. Plant Variety Protection Program. This program is authorized by the Plant Variety Protection Act and is fully funded by user fees. The Act encourages the development of novel varieties of sexually reproduced or tuber propagated plants by providing intellectual property rights protection to developers. The program assures developers exclusive rights to sell, reproduce, import, or export such varieties, or use them in the production of hybrids or different varieties, for a period of 20 years for most species and 25 years for woody plants.

3. Global Market Expansion:

AMS initiated its Global Market Expansion program in fiscal year 2002. The main focus for AMS is to strengthen its international involvement in standards-setting and other marketing activities related to agricultural exports. Initial appropriations were provided for AMS to help represent the interests of the agricultural industry through participation in the development of international standards. Through this program, AMS will ensure that United States agriculture remains competitive in foreign markets, that it increases its market share, and that it develops sustainable export sales.

4. Market Protection and Promotion:

AMS administers programs under several laws that authorize the collection of pesticide use and residue information, ensure proper marketing practices, stimulate innovative and improved commodity marketing, and provide assistance to industry-sponsored activities.

In the administration of market protection and promotion activities, the Agricultural Marketing Service operates under the following authorities:

Agricultural Marketing Act of 1946
Capper Volstead Act
Cotton Research and Promotion Act
Commodity Promotion, Research, and Information Act of 1996
Egg Research and Consumer Information Act
Export Apple Act
Export Grape and Plum Act
Federal Seed Act
Food Quality Protection Act of 1996
Hass Avocado Promotion, Research, and Information Act of 2000
Potato Research and Promotion Act
Dairy Production Stabilization Act of 1983
Honey Research, Promotion and Consumer Information Act
Beef Promotion and Research Act of 1985
Pork Promotion, Research and Consumer Information Act of 1985
Watermelon Research and Promotion Act
Soybean Promotion, Research and Consumer Information Act
Mushroom Promotion, Research and Consumer Information Act of 1990
Fluid Milk Promotion Act of 1990
Organic Foods Production Act of 1990
Food, Agriculture, Conservation and Trade (FACT) Act of 1990
Popcorn Promotion, Research, and Consumer Information Act

a. Pesticide Recordkeeping Program. The pesticide recordkeeping program is authorized by the Food, Agriculture, Conservation and Trade Act of 1990. This program established Federal regulations requiring certified applicators to maintain records of Federally restricted use

pesticide applications. In addition, the Act also requires that records be surveyed to provide a database on the use of Federally restricted used pesticides. The pesticide recordkeeping program is funded by appropriation.

A Memorandum of Understanding signed by the AMS, the National Agricultural Statistics Service (NASS), and the Environmental Protection Agency (EPA) identified the responsibilities and roles of each agency pertaining to record surveys and reporting on restricted pesticide usage. AMS delegates authority to State pesticide regulatory agencies to monitor compliance with the recordkeeping requirements through cooperative agreements. AMS utilizes Federal inspectors in those States that do not enter into cooperative agreements. The accuracy of restricted use pesticide data is enhanced by good recordkeeping practices by certified applicators. AMS uses information obtained during NASS pesticide-usage surveys as one indicator of the degree of compliance with recordkeeping requirements.

b. Pesticide Data Program. The Pesticide Data Program (PDP), established under authority of the Agricultural Marketing Act of 1946 and the 1996 Food Quality Protection Act, develops and communicates comprehensive, statistically-reliable information on pesticide residues in food to improve Government dietary risk assessment procedures. Data are provided on a continual basis to the EPA for use in the pesticide registration process and to other Federal and State agencies for use in determining policies intended to safeguard public health. To ensure integrity and the high degree of quality required for dietary risk assessment procedures, PDP's standard operating procedures parallel EPA's Good Laboratory Practice guidelines. Information on significant findings is reported to the FDA. This program is a cooperative effort with State agencies and is funded by appropriation.

c. Microbiological Data Program. In Fiscal Year 2001, AMS received appropriated funds to initiate a Microbiological Data Program. The goal of the program is to collect information regarding the prevalence of food-borne pathogens and indicator organisms on domestic and imported fresh fruits and vegetables. The program is not regulatory in nature. It is designed to establish a national microbial baseline to assess the risks of contamination in the domestic food supply. Once released, the data will be available to any interested parties including Federal and State public health agencies for food safety decision-making purposes.

d. Federal Seed Program. The Federal Seed program is authorized by the Federal Seed Act and funded by appropriations. The Act regulates agricultural and vegetable seed moving in interstate commerce. It prohibits false labeling and advertising of seed as well as the shipment of prohibited noxious-weed seed into a State. About 500 State seed inspectors are authorized to inspect seed subject to the Act. Seed samples are routinely drawn by State seed inspectors to monitor seed sold commercially. Should an inspection reveal infractions of the Act, a complaint may be referred to AMS by the cooperating State agency. Based on the results of its tests and investigations, AMS attempts administratively to resolve each case. For cases that cannot be resolved, AMS will initiate appropriate legal action. Intrastate infractions are subject to State laws. Under the Agricultural Marketing Act, AMS will also test voluntarily submitted seed. These voluntary testing services are provided on a fee basis.

e. The Commodity Research and Promotion Acts. AMS provides oversight and direction to many industry-funded commodity research and promotion programs. These programs are funded by assessments that are collected and used by the industry to broaden and enhance national and international markets for various commodities. The various research and promotion acts provide authority for the collection of an assessment from various segments of the marketing chain. Producer assessments are most common; however, some programs assess processors, handlers,

and/or importers. These assessments are used to carry out research and promotional activities for beef, blueberries, cotton, milk and dairy products, eggs and egg products, fluid milk, honey, mushrooms, peanuts, popcorn, pork, potatoes, soybeans, and watermelons. Assessments collected on mushrooms are voluntary for promotional activities. AMS reviews and approves the budgets and projects proposed by the research and promotion boards to ensure that proposals comply with the Order and the Act. Each research and promotion activity reimburses AMS for the cost of implementing and overseeing its program.

f. National Organic Standards Program. This program is authorized by the Organic Foods Production Act of 1990. The Act requires AMS to develop national standards governing the production and handling of agricultural products labeled organic. The legislation also requires AMS to examine and accredit State and private certification programs to ensure their compliance with national organic standards. The program will certify that organically produced food products meet national standards. After the initial 18-month implementation period, which ends October 2002, AMS will begin assessing user fees as authorized by the Act. The program is currently funded by appropriations. AMS provides support to the National Organic Standards Board, reviews materials for the national list of allowed synthetic materials, and coordinates the enforcement and appeals process. A final rule was published in December 2000 and the implementation period began in April 2001.

5. Wholesale, Farmers and Alternative Market Development:

This program is authorized under the Agricultural Marketing Act of 1946, and is funded through appropriations. Under this program, AMS provides technical advice and assistance to States and municipalities that are interested in creating or upgrading wholesale market facilities, auction and collection markets, and retail farmers markets. AMS also conducts feasibility studies in cooperation with the private sector, non-profit organizations, and other government agencies to evaluate and suggest efficient ways to handle and market agricultural commodities. AMS researches changes in the marketplace to assist States, localities, market managers/operators, and growers in making strategic decisions for future product development.

6. Transportation Services:

Transportation services activities are authorized under the following authorities:

Agricultural Marketing Act of 1946
Agricultural Adjustment Act of 1938
Agricultural Trade and Assistance Act of 1954
Rural Development Act of 1972
International Carriage of Perishable Foodstuffs Act of 1982

AMS activities are designed to assure that the Nation's transportation system will adequately serve the agricultural and rural areas of the United States by providing necessary rail, barge, truck, and shipping services. AMS provides technical assistance to shippers and carriers and participates in transportation regulatory actions before various Federal agencies. In addition, AMS provides economic analyses and recommends improvements to domestic and international agricultural transportation. Transportation services activities are funded through appropriations.

7. Payments to States and Possessions:

The Federal-State Marketing Improvement Program (FSMIP) is authorized by the Agricultural Marketing Act of 1946 and is funded from appropriations. Funds are provided to State marketing agencies to: identify and test market alternative farm commodities; determine methods of providing more reliable market information; and develop better post-harvest and packaging methods. This program has made possible many types of projects, such as electronic marketing and agricultural product diversification. Current projects are focused on the improvement of marketing efficiency and effectiveness, and seeking new outlets for existing farm-produced commodities. The legislation grants USDA the authority to establish cooperative agreements with State departments of agriculture or similar State agencies to improve the efficiency of the agricultural marketing chain. The States perform the work or contract with others, and must contribute at least one-half of the cost of the projects.

8. Perishable Agricultural Commodities Act:

This program is carried out under the Perishable Agricultural Commodities Act (PACA) and the Produce Agency Act (PAA), and is fully funded by user fees. These Acts are designed to: (1) protect producers, shippers, distributors and retailers from loss due to unfair and fraudulent practices in the marketing of perishable agricultural commodities; and (2) prevent the unwarranted destruction or dumping of farm products handled for others. Commission merchants, dealers, and brokers handling fresh and frozen fruits and vegetables in interstate and foreign commerce must obtain a PACA license and must abide by the fair trading practices established by the PACA.

Traders who have been found to have committed unfair trade practices face license suspension or revocation and may be required to post surety bonds before resuming operations. To increase protection and avert financial losses to growers and licensed firms, the Perishable Agricultural Commodities Act was amended in 1984 to create a statutory trust. Sellers of fruits and vegetables who have not been paid are secured under this legislation until full payment is made.

Complaints of violations are investigated and resolved through: (1) informal agreement between the two parties; (2) formal decisions involving payments to injured parties; (3) suspension or revocation of license; and (4) publication of the facts. Any interested party or group may request AMS assistance in settling disputes under the PACA.

9. Strengthening Agricultural Markets and Producer Income (Section 32):

Under Section 32 of the Act of August 24, 1935, (7 U.S.C. 612c) an appropriation equal to 30 percent of gross customs receipts collected during each preceding calendar year and unused balances up to $300 million are available for encouraging the domestic consumption and exportation of agricultural commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce's National Marine Fisheries Service.

a. Commodity Purchases and Diversions:

Pursuant to Section 32, AMS purchases commodities such as meats and fish, fruits and vegetables, and poultry in order to stabilize market conditions. These purchased commodities are distributed by the Food and Nutrition Service (FNS) to schools as part of the entitlement for the National School Lunch program and for other food assistance programs. AMS also provides purchasing services to FNS to supply food to recipients in Food Assistance Programs authorized

by Congress. AMS is reimbursed by FNS for the administrative costs associated with purchases made for FNS Federal Food Assistance.

Diversion payments are authorized by clause 2 of Section 32 of the Act of August 24, 1935. This legislation authorizes the Secretary of Agriculture to encourage the domestic consumption of agricultural commodities or products by diverting them, by payment of benefits or indemnities or by other means, from the normal channels of trade and commerce. The diversion program under Section 32 is intended to provide support to markets that are experiencing adverse economic conditions. It is not intended to provide direct income support to the producers of the commodities or products.

b. Federal Food Specifications:

AMS develops, coordinates, and approves federal food product descriptions and establishes quality assurance policies and procedures for the procurement of food by USDA, Department of Defense, Indian Health Service, National Institutes of Health, Bureau of Prisons, and the Department of Veterans Affairs. The primary goal of this program is to update and streamline federal food specifications to improve the cost efficiency of federal food purchasing by using commercial item descriptions whenever possible. For purchases of meat items, the Department of Defense and some other agencies use Institutional Meat Processing Standards (IMPS).

c. Marketing Agreements and Orders:

The marketing agreements and orders program is authorized by the Agricultural Marketing Agreement Act of 1937. Marketing orders are designed to stabilize market conditions and to improve the returns for fluid milk and fruit and vegetable producers. Stabilized market conditions are accomplished by: (1) establishing minimum prices which handlers pay to dairy producers; (2) regulating the quality and quantity of fruits and vegetables sold in commercial channels; and (3) providing for market development and promotion (including paid advertising).

The orders are requested by producers and handlers. Evaluations and hearings on proposed marketing orders are conducted by AMS. Proposed orders are subject to approval by producers of the regulated commodity. Once approved, the Secretary issues the marketing order and sets the effective date of the order.

Section 32 funds authorized under 7 U.S.C. 612c are used by AMS for administering the marketing agreements and orders program at the national level, public hearings, referenda to determine producer sentiment concerning new programs, and proposed revisions of marketing orders already in effect. Administration at the local level is financed through handler assessments.

AMS headquarters is located in Washington, D.C. The Agency has approximately 161 year-round and seasonal field offices. AMS' peak employment period occurs during the four-month period from September through December due to the seasonal nature of cotton, tobacco, and some fruit and vegetable grading. Employment during the peak period averaged 4,838 during fiscal year 2001. As of September 30, 2001, AMS had 4,220 employees, of whom 2,770 were full-time and 1,450 were other than permanent full-time employees. Of this number, employees assigned to field office locations totaled 2,163 full-time and 1,430 other-than permanent full-time employees.

OIG Reports		
#01005-1-Hy	09/10/98	Federal-State Inspection Program in Puerto Rico (closed 7/26/00)
#01001-3-Ch	09/23/98	National Fluid Milk Processor Promotion Program (closed 7/00)
#01801-1-Kc	03/31/99	National Pork Board (official closure memo from OIG, 4/17/00)
#01099-1-Sf	02/15/00	Domestic Origin Provisions of the Commodity Purchase Program for California and Washington (closed 3/01)
GAO Reports		
#GAO-01-326	07/99	Imports, Domestic Production, and Regulation of Ultra-Filtered Milk (closed 3/31/01)

AGRICULTURAL MARKETING SERVICE

Available Funds and Staff-Years
2001 Actual and Estimated 2002 and 2003

Item	2001 Actual		2002 Estimated		2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Agricultural Marketing Service						
Marketing Services	$68,584,876	460	$74,579,000	552	$77,689,000	566
Payments to States and Possessions	1,350,000	--	1,347,000	--	1,347,000	--
Total	69,934,876	460	75,926,000	552	79,036,000	566
Obligations under other USDA appropriations:						
Food & Nutrition Service for commodity procurement services	788,194	13	804,000	13	804,000	13
Foreign Agricultural Service for emerging democracies	14,923	1	158,000	1	158,000	1
Total, other USDA appropriations	803,117	14	962,000	16	962,000	14
Total, Agriculture Appropriations	70,737,993	474	76,888,000	566	79,998,000	580
Permanent Appropriations:						
Funds for Strengthening Markets, Income, and Supply (Section 32)	5,738,448,921	152	6,139,942,369	168	5,914,235,000	177
2000 Supplemental Appropriation	200,000,000	--	--	--	--	--
Recovery of prior year obligations	3,254,060	--	--	--	--	--
Carryin	241,269,708	--	-107,824,527	--	-300,000,000	--
Deduct transfers out	-5,200,406,819	--	-5,251,584,813	--	-5,273,117,000	--
Deduct carryout	-107,824,527	--	-300,000,000	--	-300,000,000	--
Net AMS	874,741,343	152	480,533,029	168	41,218,000	177
Perishable Agricultural Commodities Act Fund	10,418,362	90	8,775,000	95	8,948,000	95
Total, Permanent Appropriations	885,159,705	242	489,308,029	263	50,166,000	272
Agriculture Risk Protection Act:						
Perishable Agricultural Commodities Act Fund	30,450,000	--	--	--	--	--
Fresh Fruit and Vegetable Grading	40,550,000	--	--	--	--	--
Total	71,000,000	--	--	--	--	--
Non-Federal Funds:						
Oversight work for the following:						
American Egg Board	190,755	2	222,000	2	222,000	2
Beef Board	358,653	2	189,000	2	189,000	2
Blueberry Board	87,214	1	78,000	1	78,000	1
Cotton Board	192,016	2	192,000	2	192,000	2
Dairy Board	300,291	2	320,000	3	320,000	3
Fluid Milk Board	345,217	3	368,000	3	368,000	3
Honey Board	195,644	1	128,000	1	128,000	1
Mushroom Board	69,536	1	53,000	1	53,000	1
Peanut Board	159,107	1	128,000	1	128,000	1
Popcorn Board	54,214	1	28,000	--	28,000	--
Pork Board	343,787	2	184,000	2	184,000	2
Potato Board	113,143	1	93,000	1	93,000	1
Soybean Board	325,204	2	184,000	2	184,000	2
Watermelon Board	89,571	1	88,000	1	88,000	1
Assessment for peanut non-signers	36,000	--	20,000	--	20,000	--
Fees for grading of cotton and tobacco	69,228,051	610	62,432,000	625	63,455,000	625
Grading of farm products for producers, processors, and municipal, State and Federal Agencies	142,524,605	1,560	118,229,000	1,507	124,405,000	1,507
Wool research, development, and promotion	2,250,000	--	2,250,000	--	0	--
Milk Market Administrators for audits and workers compensation	286,711	--	0	--	0	--
States for collection and dissemination of market news information	135,000	1	168,000	1	168,000	1
Total, Non-Federal Funds	217,284,739	2,193	185,354,000	2,155	190,303,000	2,155
Milk Market Orders Assessment Funds	46,080,000	429	42,156,000	441	42,156,000	441
Total, Agricultural Marketing Service	1,290,262,437	3,338	793,706,029	3,425	362,623,000	3,448

AGRICULTURAL MARKETING SERVICE

Permanent Positions by Grade and Staff Year Summary
2001 Actual and Estimated 2002 and 2003

Grade	2001			2002			2003		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
ES-5	2	--	2	2	--	2	2	--	2
ES-4	5	--	5	5	--	5	5	--	5
ES-1	4	--	4	4	--	4	4	--	4
GS-15	34	1	35	34	1	35	34	1	35
GS-14	60	14	74	61	15	76	61	15	76
GS-13	132	69	201	137	75	212	137	75	212
GS-12	129	137	266	134	148	282	138	148	286
GS-11	52	203	255	55	209	264	56	209	265
GS-10	1	17	18	2	18	20	2	18	20
GS-9	49	569	618	50	576	626	52	582	634
GS-8	7	179	186	7	186	193	7	186	193
GS-7	46	365	411	50	371	421	53	372	425
GS-6	45	67	112	49	72	121	50	72	122
GS-5	28	228	256	30	235	265	30	236	266
GS-4	17	114	131	19	121	140	20	123	143
GS-3	5	29	34	6	34	40	7	34	41
GS-2	2	--	2	3	--	3	3	--	3
GS-1	--	--	--	--	--	--	--	--	--
Milk Market Administrators and Staff	--	446	446	--	441	441	--	441	441
Ungraded Positions	--	19	19	--	20	20	--	20	20
Total Permanent Positions	618	2,457	3,075	648	2,522	3,170	661	2,532	3,193
Unfilled Positions end-of-year	-11	-294	-305	--	--	--	--	--	--
Total Permanent Full Time Employment, end-of-year	607	2,163	2,770	648	2,522	3,170	661	2,532	3,193
Staff Year Estimate	557	2,781	3,338	585	2,840	3,425	598	2,850	3,448

AGRICULTURAL MARKETING SERVICE
CLASSIFICATION BY OBJECTS
2001 and Estimated 2002 and 2003

		2001	2002 Est.	2003 Est.
Personnel Compensation:				
Washington, D.C.		$8,157,590	$9,219,783	$9,543,975
Field		18,660,486	19,054,217	20,466,525
11.1	Full-time permanent	26,818,076	28,274,000	30,010,500
11.3	Other than full-time permanent	733,444	773,000	772,361
11.5	Other personnel compensation	270,809	286,000	286,709
	Total personnel compensation	27,822,329	29,333,000	31,069,571
12	Personnel benefits	6,688,020	9,637,000	9,964,667
13	Benefits for former personnel	91,169	88,000	88,000
	Total personnel compensation and benefits	34,601,518	39,058,000	41,122,238
Other Objects:				
21	Travel	2,167,961	2,812,000	2,917,333
22	Transportation of things	349,205	332,000	390,000
23.1	Rental payments to GSA	682,000	709,000	709,000
23.2	Rental payments to others	905,146	858,000	957,000
23.3	Communications, utilities and miscellaneous charges	2,067,575	2,743,000	2,778,667
24	Printing and reproduction	347,372	339,000	339,000
25.1	Advisory and assistance services	46,936	47,118	47,652
25.2	Other services	17,853,905	17,923,109	18,125,683
25.3	Purchases of goods and services from Government accounts	3,828,504	3,843,344	3,886,869
25.5	Research and development contracts	500,298	502,237	507,925
25.7	Operation and maintenance of equipment	1,944,654	1,952,192	1,974,300
26	Supplies and materials	1,058,664	1,136,000	1,162,000
31	Equipment	1,480,834	2,324,000	2,770,333
41	Grants, subsidies and contributions	1,347,000	1,347,000	1,347,000
	Total other objects	34,580,053	36,868,000	37,912,762
Total Obligations		69,181,571	75,926,000	79,035,000
Position Data:				
Average Salary, ES positions		$128,813	$133,753	$137,231
Average Salary, GS positions		42,684	44,613	45,733
Average Grade, GS positions		8.8	8.8	8.8

AGRICULTURAL MARKETING SERVICE

PASSENGER MOTOR VEHICLES

The fiscal year 2003 Budget Estimates propose the purchase of three replacement vehicles and two additional motor vehicles.

The estimated number of passenger motor vehicles available for fiscal year 2003 is the minimum necessary to maintain essential services in AMS programs. These cars are used to provide the following necessary services: (1) traveling to places which in most cases are not accessible by common carriers, such as farms, market terminals, offices of product dealers and truckers, processing plants, canneries, stockyards, cotton gins, and compress operators; (2) carrying special grading and testing equipment used for inspecting and grading commodities and for performing other work required under the Agricultural Marketing Act of 1946; U.S. Cotton Standards Act; Cotton Statistics and Estimates Act; Tobacco Inspection Act; and Dairy and Tobacco Adjustment Act; and (3) carrying boxes of cotton standards types for use in classing work and demonstration at farmers' meetings.

Additional passenger motor vehicles. Two additional passenger motor vehicles are requested for use by the Cotton Classing program in response to an expected increase in workload.

Replacement of passenger motor vehicles. Replacement of 3 of the 41 vehicles that are in operation is proposed. All vehicle replacements will be in accordance with GSA vehicle replacement standards.

The age and mileage data for passenger motor vehicles on hand as of September 30, 2001 are as follows:

Age			Mileage Data		
Age-Year Model Vehicles	Number of Total	Percentage Mileage	Lifetime Vehicles (thousands)	Number of Total	Percentage
1995 or older	6	15	80 or over	9	22
1996	5	12	60-80	10	24
1997	3	7	40-60	9	22
1998	11	27	20-40	11	27
1999	3	7	under 20	2	5
2000	11	27			
2001	2	5			
Total	41	100	Total	41	100

AGRICULTURAL MARKETING SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Marketing Services:

For necessary expenses to carry on 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; including field employment pursuant to the second sentence of Section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $90,000 for employment under 5 U.S.C. 3109,[$71,430,000] ; $77,689,000 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 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).

AGRICULTURAL MARKETING SERVICE

Lead-Off Tabular Statement

MARKETING SERVICES

Appropriations Act, 2002		$71,430,000
Budget Estimate, FY 2003		77,689,000
Increase in Appropriation		+ 6,259,000
Adjustments to 2002:		
Appropriations Act, 2002	$71,430,000	
Transfer in Estimates for Retirement Health Pension Benefits a/	2,440,000	
Activities transferred from Rental Payments to GSA account b/	709,000	
Adjusted base for 2002		74,579,000
Budget Estimate, Current Law, 2003		77,689,000
Increase over adjusted 2002		+ 3,110,000

a/ Estimates for Retirement/Health Pension Benefits are included in the budgets of agencies as a one-time shift of funds.
On a comparable basis the full annual cost of the activity is $2,278,000 for 2003.

b/ Rental Payments to GSA are included in the budgets of agencies occupying GSA space as a one-time shift of funds.
On a comparable basis the full annual cost of the activity if $709,000 for 2003.

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

Item of Change	2002 Estimated	Pay Costs	Program Changes	2003 Estimated
Market News Service	$30,803,000	+ $653,000	+ $3,000	$31,459,000
Shell Egg Surveillance and Standardization	6,416,000	+ 127,000	+ 0	6,543,000
Global Expansion	1,049,000	+ 20,000	+ 1,000,000	2,069,000
Market Protection and Promotion	30,783,000	- 216,000	- 973,000	31,972,000
Wholesale, Farmers, and Alternative Market Development	2,775,000	+ 57,000	+ 0	2,832,000
Transportation Services	2,753,000	+ 60,000	+ 1,000	2,814,000
Total Available	74,579,000	+ 1,133,000	+ 1,977,000	77,689,000

PROJECT STATEMENT
(On basis of appropriation)

	2001 Actual		2002 Estimated		Increase or Decrease	2003 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
1. Market News Service							
(a) Cotton and Cottonseed	$2,952,879	22	$2,383,300	22	+ $50,756	$2,434,056	22
(b) Dairy Products	976,439	9	762,962	9	+ 16,249	779,211	9
(c) Fruits and Vegetables	9,538,559	84	7,694,690	91	+ 163,871	7,858,561	91
(d) Livestock, Meat and Grain	11,769,958	131	16,015,825	161	+ 341,083	16,356,908	160
(e) Poultry Products	3,583,143	33	2,939,573	35	+ 62,603	3,002,176	35
(f) Tobacco	1,237,754	10	1,006,651	15	+ 21,438	1,028,089	16
Total, Market News Service	30,058,732	289	30,803,000	333	+ 656,000 (1)	31,459,000	333
2. Egg Surveillance and Standardization							
(a) Shell Egg Surveillance	2,547,618	22	2,636,000	21	+ 47,000	2,683,000	21
(b) Standardization	3,713,932	36	3,780,000	42	+ 80,000	3,860,000	42
Total, Egg Surveillance and Standardization	6,261,549	58	6,416,000	63	+ 127,000 (2)	6,543,000	63
3. Global Market Expansion	--	--	1,049,000	8	+ 1,020,000 (3)	2,069,000	14
4. Market Protection and Promotion							
(a) Federal Seed Act	1,218,142	12	1,283,000	12	+ 1,143,000	2,426,000	19
(b) Market Development and Assistance	455,640	6	473,000	6	+ 12,000	485,000	6
(c) Organic Standards	1,592,571	15	1,640,000	15	- 619,000	1,021,000	15
(d) Pesticide Data	14,184,655	20	14,302,000	30	+ 541,000	14,843,000	31
(e) Microbiological Data	6,221,008	8	6,282,000	8	+ 19,000	6,301,000	8
(f) Biotechnology	--	--	4,179,000	18	+ 65,000	4,244,000	18
(g) Pesticide Recordkeeping	2,575,839	12	2,624,000	12	+ 28,000	2,652,000	12
Total, Market Protection and Promotion	26,247,855	73	30,783,000	101	+ 1,189,000 (4)	31,972,000	109
5. Wholesale, Farmers, and Alternative Market Development	2,645,881	19	2,775,000	23	+ 57,000 (5)	2,832,000	23
6. Transportation Services	2,620,553	21	2,753,000	24	+ 61,000 (6)	2,814,000	24
Unobligated Balance	750,306	--	--	--	--	--	--
Total, available or estimate	68,584,876	460	74,579,000	552	+ 3,110,000	77,689,000	566
Transfers:							
Congressional Relations	-175,613	--	--	a/ --			
Transfer from							
Rental Payments to GSA	-682,000	--	-709,000	--			
Retirement/Health Pension Benefits	-2,536,000	--	-2,440,000	--			
Rescission	143,737	--	--	--			
Total, Appropriation	65,335,000		71,430,000	--			

a/ Amount to be determined by Assistant Secretary for Congressional Relations.

AGRICULTURAL MARKETING SERVICE
Justification of Increases and Decreases

Marketing Services

(1) A total increase of $656,000 for Market News ($30,803,000 available in 2002) consisting of:

(a) An increase of $653,000 for Market News pay costs. The total pay cost increase for Marketing Services is $1,133,000 which includes $418,000 for annualization of the fiscal year 2002 pay raise and $715,000 for the anticipated fiscal year 2003 pay raise.

The increase is needed to maintain agency efforts to collect, analyze and disseminate timely market news information. Without an increase for pay costs, AMS will have to reduce the number of AMS' market reports, delay the reporting of market data, include fewer markets, or terminate selected reports.

(b) An increase of $102,000 for Market News for the Federal Employees' Compensation Act (FECA) program. The total FECA increase for Marketing Services is $167,000.

The FY 2003 Budget will include language in the General Provisions of the Treasury-Postal Appropriations bill to permit the Department of Labor to add an administrative surcharge to the amount it charges each agency for its FECA benefits.

(c) A decrease of $99,000 for Market News for Employee Pension and Annuitant Health Benefits. The total Marketing Services decrease is $162,000, resulting in a total need of $2,278,000.

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(2) A total increase of $127,000 for Inspection and Standards ($6,416,000 available in 2002) consisting of:

(a) An increase of $127,000 for Inspection and Standards pay costs. The total pay cost increase for Marketing Services is $1,133,000 which includes $418,000 for annualization of the fiscal year 2002 pay raise and $715,000 for the anticipated fiscal year 2003 pay raise.

This increase is necessary to maintain our current level of shell egg surveillance inspections which ensure the appropriate disposition of restricted eggs and to maintain our current service level in facilitating trade of U.S. agricultural products on domestic and export markets through marketing standards. Without this funding, AMS will have to schedule shell egg handling inspections less frequently than the legally required quarterly minimum. In addition, AMS will not be able to develop and modify its quality standards to keep pace with changes in agricultural products and marketing methods.

(b) An increase of $15,000 for Inspection and Standards for the Federal Employees' Compensation Act (FECA) program. The total FECA increase for Marketing Services is $167,000.

The FY 2003 Budget will include language in the General Provisions of the Treasury-Postal Appropriations bill to permit the Department of Labor to add an administrative surcharge to the amount it charges each agency for its FECA benefits.

(c) A decrease of $15,000 for Inspection and Standards for Employee Pension and Annuitant Health Benefits. The total Marketing Services decrease is $162,000, resulting in a total need of $2,278,000.

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(3) A total increase of $1,020,000 for Global Market Expansion ($1,049,000 available in 2002) consisting of:

(a) An increase of $1,000,000 and 6 staff years to expand global marketing opportunities through international market news reporting.

AMS is requesting funds to open and expand global marketing opportunities through international reporting activities.

Current high production levels for many U.S. commodities have made it necessary to increase exports to help support U.S. producers, especially in light of declining farm revenues. Increases in world income and economic growth are helping to spur foreign demand for American agricultural products, and trade agreements are providing improved access to these markets. To remain competitive, U.S. agriculture producers must increase their global market share, and develop sustainable export sales. This is especially critical to the growth and economic stability of smaller and medium-sized enterprises. To attain those goals, producers need accurate, timely, and unbiased international market information. However, U.S. agriculture does not have uniform access to a centralized, consistent, public source of timely information on international prices and trade volume. With a reliable market intelligence network, domestic traders and producers will have an equal opportunity against their foreign competitors. An increase in trade volume of only 2% would translate into sales exceeding $1 billion per year.

The pending Free Trade Area of the Americas agreement will open significant markets in Central and South America to U.S. trade, and AMS would be ideally situated to provide timely market information from across the Americas to the benefit of the U.S. interests. AMS will help U.S. commercial interests gain better access to foreign markets by providing more up-to-date price information through a strategic alignment with the market information institutions in the countries of North, Central and South America. This network is the Market Information Organization of the Americas (MIOA). The primary goal of MIOA is to facilitate the timely, consistent exchange of market information between the countries of the Americas. Additional resources will allow AMS to support key development activities within MIOA and thereby expand coverage of export and import information relative to price and volume. The increased reporting will assist the industry in providing a more transparent market and price discovery system.

It is also critical that U.S. traders have access to timely and accurate information on the products from competing nations. A key part of the AMS proposal to expand international market reporting therefore is focused on the development of stronger relationships with market information agencies in key competitor countries, as well as in countries with markets of opportunity. This information could include prices, volumes or relevant data on other production areas or shipping points in these competitor countries.

The U.S. dairy industry will benefit greatly from having timely access to reliable market information on Asia and certain Latin American countries, most notably on high value products such as specialty cheeses, ice cream and frozen desserts. Key horticultural export commodities are apples and pears, cherries and other tree fruit, grapes, citrus, potatoes, and onions. Markets of interest for such products include all of the Americas, Asia and Europe. The primary markets of interest to U.S. traders of livestock and meat products are Asia and Latin America. While market information on Mexico is generally available, there is a clear lack of timely market information on U.S. products or products from other countries for the other markets in this group. The U.S. poultry industry is seeking to expand its market opportunities beyond Asia and Mexico. A clear advantage in this effort would be reliable market information, not only on U.S. poultry products in that market but on competitive products as well.

Additional market reporters are needed at Agency headquarters in Washington, D.C., to develop new reports, expand current reports to meet industry requests, and offer increased technical assistance programs. Travel to various international markets will be necessary to understand the marketing structure, and to make periodic assessments of data accuracy and collection methods. In addition, the programs' communications structure will be enhanced. An important component of this effort will be a multi-lingual web site that will link all of the market information systems of the Americas. AMS will develop and maintain this web site, which will offer customers the opportunity to access key market information in four different languages from more than 20 countries. The countries represented in the MIOA will work to standardize the terminology, technology, and methodology used throughout the group.

USDA's strategic plan recognizes that farming and ranching operations of all sizes are increasingly dependent on market expansion and exports for their growth in income. This funding will support the growth of U.S. agricultural exports of grains and feeds, oilseeds, livestock, poultry, dairy and horticultural products. With the proposed expansion of market coverage, AMS estimates that U.S. exports could increase from 2 percent to 3 percent for these products. Assuming a relatively stable dollar, global economy, and trade, the value of these products is currently predicted to equal $50.5 billion in 2003. The projected increase would produce $500 million in value of additional exports.

To remain competitive and establish sustainable export sales, we must have a viable and effective market intelligence network that delivers reliable and sound market information on a timely basis. The success of U.S. agriculture is increasingly tied to the world markets, both as an opportunity for expansion, as well as providing consistent, year-round agriculture supplies from our trading partners. AMS' approach will rapidly increase access to markets throughout the Americas, increase trading activity and influence efforts to standardize the market systems throughout the Western Hemisphere.

(b) An increase of $20,000 for Global Market Expansion pay costs. The total pay cost increase for Marketing Services is $1,133,000 which includes $418,000 for annualization of the fiscal year 2002 pay raise and $715,000 for the anticipated fiscal year 2003 pay raise.

The increase is needed to maintain Agency efforts to strengthen export opportunities for U.S. producers and expand global marketing opportunities through international trading and standards organizations.

(c) An increase of $3,000 for Global Market Expansion for the Federal Employees' Compensation Act (FECA) program. The total FECA increase for Marketing Services is $167,000.

The FY 2003 Budget will include language in the General Provisions of the Treasury-Postal Appropriations bill to permit the Department of Labor to add an administrative surcharge to the amount it charges each agency for its FECA benefits.

(d) A decrease of $3,000 for Global Market Expansion for Employee Pension and Annuitant Health Benefits. The total Marketing Services decrease is $162,000, resulting in a total need of $2,278,000.

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(4) An increase of $1,189,000 for Market Protection and Promotion ($30,783,000 available in 2002) consisting of:

(a) An increase of $1,111,000 and 7 staff years for the Federal Seed Program to ensure viability of the program and continue international accreditation activities.

Effective enforcement of Federal Seed Act requirements is a critical underpinning of an efficient U.S. agricultural production system and is vital to international sales of U.S. seed. The requested funding is essential to implement specific critical improvements required by the International Seed Testing Association in its recent audit for program accreditation. Failure to address these deficiencies would likely result in the loss of international accreditation and the ability to facilitate international seed sales. International sales of seed represent approximately 30 percent of total U.S. sales. The Association's specific recommendations include the replacement of outdated equipment with newer, more reliable and more efficient models. The laboratory equipment used for testing seed samples to verify germination is over 20 years old and is constantly in need of repair. Equipment failure creates the potential for erroneous results and inefficiencies due to the necessity for repeated testing.

Farmers, gardeners, and other seed purchasers in the industry suffer serious financial losses from planting mislabeled and low quality seed. The most critical component of the Federal Seed Act is ensuring the truthful labeling of variety and germination. Lack of a Federal Seed program that effectively monitors and controls labeling will have a significant impact on farmers. Today's seeds are developed to fit specific growing conditions, e.g. soil conditions, rainfall, and length of growing season. If the wrong variety is planted, crop failure is likely. Similar impact results from low germination rates. Small to medium size farmers are more likely to experience these problems since they tend to have less ability to generate their own seed and are more likely to buy seed from secondary marketers. The frequency of mislabeling is generally greater as the seeds are repackaged and relabeled as they move through the marketing chain.

To effectively protect seed buyers from mislabeled seed, AMS' Federal Seed program must upgrade its computer and seed testing equipment, establish a new database, and increase staffing to expand seed inspection.

The Seed Regulatory and Testing Information System (SRTIS), an important component of program operations, is desperately in need of upgrade. The SRTIS, developed in the 1980s, is used to identify and track seed samples through the testing process; generate test reports; track Federal Seed Act investigations; and generate investigative reports. The information housed and extracted from the database is essential to track seed samples and investigations, compare State results with USDA results, and provide reports needed by State Seed Control Officials

for enforcement. However, due to budget restraints, systems upgrades have been nonexistent resulting in inefficiency and program failure. Further, to improve productivity, the Federal Seed program must establish a database that will provide easy access, extraction, and formatting of reports.

AMS must increase its Seed program staff, including specialists and botanists, to adequately protect seed buyers and growers by collecting seed for testing from States without inspection programs. In the past, the Federal Seed program has relied on State seed programs to identify a large proportion of detected violations of the Federal Seed Act. However, budget reductions in many States, primarily in the Northeast, have virtually eliminated many State seed inspection programs. Consequently, most of the seed sold in these States is shipped in interstate commerce and subject to the Federal Seed Act, but is not checked for violations. Currently, an estimated 15 percent of the seed sold in States without active seed control programs is mislabeled--double the rate found in States with active programs. This higher level of mislabeled seed will surely continue to increase without an effective monitoring program.

(b) An increase of $500,000 and 1 staff year for the Pesticide Data Program to improve and expand residue data collection.

These funds will allow the Pesticide Data Program (PDP) to monitor changes in residue profiles provided for in the Food Quality Protection Act of 1996 (FQPA), and to add data on new commodities and residues.

FQPA requires verification of the Environmental Protection Agency (EPA) pesticide tolerances on a five-year cycle. PDP provides the monitoring data necessary for these tolerance evaluations. Commodities tested in earlier years need to be placed back into the program. Verification data will be provided for all tolerances revised using PDP data. The program will also begin data collection on new commodities.

AMS must also develop data analysis methods for pesticides used as organophosphate replacements, many of which are used extensively in the European Union and Canada and are likely to be found in crops exported to the U.S. To strengthen the Nation's ability to export American food commodities, an improved and expanded international trade program is required to remain competitive in the global marketplace.

Approximately 50% of the increase requested will be used to partially offset rising operational costs at the State level. Operational costs for participating States increase annually by approximately seven percent. Funds will also be used to work towards International Standards Organization (ISO) Standard 17025 accreditation for PDP laboratories. PDP plans to start this process in FY 2002. ISO 17025 accreditation will provide additional acceptance of PDP data for trade and sound-science decisions on pesticide issues of international concern.

With this additional funding, PDP will be able to deliver 5% more pesticide residue data, including additional children's foods and other commodities with significant dietary consumption. EPA will be able to use the data to make regulatory decisions. These decisions benefit both growers and consumers by maintaining a plentiful U.S. food supply that is among the safest in the world. PDP data facilitates FQPA re-registration of economical and effective crop protection tools that are vital to sustain agricultural production.

(c) A decrease of $639,000 for the Organic Certification Program.

A funding increase of $639,000 was provided in fiscal year 2001 so that AMS could initiate accreditation of organic certification agents without charging accreditation fees for the first 18 months of program implementation. These funds were appropriated as an incentive for certifying agents to become accredited under the new national program as soon as possible. Federal accreditation of organic certification agents will be user-funded once the initial process has been completed in fiscal year 2002.

(d) An increase of $216,000 is for Market Protection and Promotion pay costs. The total pay cost increase for Marketing Services is $1,133,000 which includes $418,000 for annualization of the fiscal year 2002 pay raise and $715,000 for the anticipated fiscal year 2003 pay raise.

This increase will allow the Agency to provide services at the current level in Organic Certification, Pesticide Data, Federal Seed Program, and Market Development Assistance Program. Without additional funding for increased pay costs, the compliance and certification necessary to fully implement the National Organic Program may be delayed. The Pesticide Data Program will have to reduce the volume of commodities sampled and tested for residues and the Federal Seed Program will be unable to adequately protect seed buyers from mislabeled seeds.

(e) An increase of $30,000 for Market Protection and Promotion for the Federal Employees' Compensation Act (FECA) program. The total FECA increase for Marketing Services is $167,000.

The FY 2003 Budget will include language in the General Provisions of the Treasury-Postal Appropriations bill to permit the Department of Labor to add an administrative surcharge to the amount it charges each agency for its FECA benefits.

(f) A decrease of $29,000 for Market Protection and Promotion for Employee Pension and Annuitant Health Benefits. The total Marketing Services decrease is $162,000, resulting in a total need of $2,278,000

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(5) A total increase of $57,000 for Wholesale, Farmers, and Alternative Market Development ($2,775,000 available in 2002) consisting of:

(a) An increase of $57,000 for Wholesale, Farmers, and Alternative Market Development pay costs. The total pay cost increase for Marketing Services is $1,133,000 which includes $418,000 for annualization of the fiscal year 2002 pay raise and $715,000 for the anticipated fiscal year 2003 pay raise.

This increase will allow the Agency to maintain its current level of effort in developing and improving the marketing of agricultural products at the wholesale and local level. Without the funding requested, AMS will have to reduce its technical assistance to States and municipalities who wish to assist farmers and producers by establishing or upgrading market outlets, or by improving their product handling and marketing methods.

(c) An increase of $8,000 for Wholesale, Farmers, and Alternative Market Development for the Federal Employees' Compensation Act (FECA) program. The total FECA increase for Marketing Services is $167,000.

The FY 2003 Budget will include language in the General Provisions of the Treasury-Postal Appropriations bill to permit the Department of Labor to add an administrative surcharge to the amount it charges each agency for its FECA benefits.

(c) A decrease of $8,000 for Wholesale, Farmers, and Alternative Market Development for Employee Pension and Annuitant Health Benefits. The total Marketing Services decrease is $162,000, resulting in a total need of $2,278,000.

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(6) A total increase of 61,000 for Transportation Services ($2,753,000 available in 2002) consisting of:

(a) An increase of $60,000 for Transportation Services pay costs. The total pay cost increase for Marketing Services is $1,133,000 which includes $418,000 for annualization of the fiscal year 2002 pay raise and $715,000 for the anticipated fiscal year 2003 pay raise.

This increase will allow the Agency to continue to promote and assist in the development of efficient agricultural transportation systems. Without this funding, AMS will not be able to provide all of the technical assistance on domestic and export shipping that is needed by agricultural producers to ensure that food and fiber products reach consumers.

(b) An increase of $9,000 for Transportation Services for the Federal Employees' Compensation Act (FECA) program. The total FECA increase for Marketing Services is $167,000.

The FY 2003 Budget will include language in the General Provisions of the Treasury-Postal Appropriations bill to permit the Department of Labor to add an administrative surcharge to the amount it charges each agency for its FECA benefits.

(c) A decrease of $8,000 for Transportation Services for Employee Pension and Annuitant Health Benefits. The total Marketing Services decrease is $162,000, resulting in a total need of $2,278,000.

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

AGRICULTURAL MARKETING SERVICE
Marketing Services

Geographic Breakdown of Obligations and Staff Years
2001 Actual and Estimated 2002 and 2003

	2001		2002		2003	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Alabama	$245,093	2	$217,000	2	$247,000	2
Arizona	696,418	7	671,000	8	915,000	9
Arkansas	382,952	5	465,000	6	586,000	6
California	4,968,823	21	4,644,000	29	5,506,000	31
Colorado	517,822	7	512,000	7	580,000	7
Delaware	10,047	--	10,000	--	10,000	--
District of Columbia	35,331,319	165	43,619,000	180	37,200,000	180
Florida	1,783,395	9	1,627,000	12	2,424,000	12
Georgia	1,081,760	13	1,273,000	18	1,398,000	18
Hawaii	10,000	--	10,000	--	10,000	--
Idaho	164,532	2	194,000	2	222,000	2
Illinois	632,767	12	740,000	15	1,084,000	15
Indiana	20,000	--	20,000	--	20,000	--
Iowa	2,041,447	30	2,388,000	38	2,565,000	38
Kansas	425,092	6	426,000	7	491,000	7
Kentucky	190,866	2	271,000	3	384,000	3
Louisiana	321,456	4	333,000	5	450,000	5
Maine	9,516	--	9,000	--	9,000	--
Maryland	1,457,066	16	1,524,000	23	2,765,000	23
Massachusetts	261,546	5	248,000	5	290,000	5
Michigan	1,788,354	10	1,568,000	14	2,815,000	15
Minnesota	573,908	6	486,000	6	561,000	6
Mississippi	162,739	2	162,000	4	259,000	4
Missouri	841,872	13	1,169,000	14	1,284,000	14
Montana	141,161	2	122,000	3	155,000	3
Nebraska	189,645	6	280,000	8	319,000	8
Nevada	14,072	--	14,000	--	14,000	--
New Jersey	21,000	--	21,000	--	21,000	--
New Mexico	43,171	--	43,000	--	43,000	--
New York	2,706,384	10	2,328,000	13	3,529,000	15
North Carolina	681,628	8	493,000	10	730,000	11
Ohio	1,080,518	5	994,000	6	1,315,000	10
Oklahoma	333,013	4	313,000	5	352,000	5
Oregon	273,097	3	286,000	4	310,000	4
Pennsylvania	700,934	9	622,000	10	682,000	11
Puerto Rico	42,073	--	42,000	--	42,000	--
South Carolina	128,409	2	124,000	2	131,000	2
South Dakota	438,995	6	457,000	7	509,000	7
Tennessee	2,504,145	35	1,446,000	40	1,643,000	40
Texas	2,205,960	14	2,121,000	19	2,847,000	19
Utah	30,137	--	30,000	--	30,000	--
Virginia	59,659	1	61,000	1	61,000	1
Washington	1,787,662	10	1,641,000	17	2,137,000	19
West Virginia	20,052	--	20,000	--	20,000	--
Wisconsin	355,535	5	378,000	5	526,000	5
Wyoming	158,530	3	157,000	4	198,000	4
Subtotal, Available	67,834,570	460	74,579,000	552	77,689,000	566
Unobligated balance	750,306	--	--	--	--	--
Total, Available	68,584,876	460	74,579,000	552	77,689,000	566

AGRICULTURAL MARKETING SERVICE

STATUS OF PROGRAM

MARKETING SERVICES

MARKET NEWS

Goal 1: Facilitate the strategic marketing of U.S. agricultural products in domestic and international markets.

Goal 2: Ensure fair and competitive agricultural marketing through marketing tools and regulations.

Current Activities:

The Market News Service provides current, unbiased information on supply, demand, prices, movement, location, quality, condition, and other market data on farm products in specific markets and marketing areas. This information is supplied to producers, processors, distributors, and others to assist them in the orderly marketing and distribution of farm commodities.

The Agricultural Marketing Service initiated the livestock mandatory reporting program on April 2, 2001. In the past, all market news information has been reported to AMS on a voluntary basis. The mandatory program requires the reporting of market information by packers who annually slaughter an average of 125,000 cattle or 100,000 swine, or slaughter or process an average of 75,000 lambs. Importers who annually import an average of 5,000 metric tons of lamb meat products are also required to report. Mandatory reporting provides information on 80 to 95 percent of the volume of all cattle, boxed beef, slaughter hogs, sheep, lamb meat and imported lamb meat traded. Packers and importers are required to report to AMS the details of all transactions involving purchases of livestock and imported boxed lamb cuts, and the details of all transactions involving domestic and export sales of boxed beef cuts, sales of domestic and imported boxed lamb cuts, and sales of lamb carcasses. New mandatory market news reports cover the prior day swine market; forward contract and formula marketing arrangement cattle purchases; packer-owned cattle and sheep information; and sales of imported boxed lamb cuts.

Selected Examples:

1. New Market Reports:

   In response to requests from the egg industry, the Eggs Processed Under Federal Inspection report was expanded to include the average yield as calculated without the inedible egg as a factor. This change has been very beneficial to the industry by clarifying the yield number on the report and providing statistical data that would not have been available otherwise.

   Two new reports, including the monthly average prices for the Southern States Broiler Fryer Parts and the Northeast Broiler Fryer Parts, were established. These were developed in an effort to better serve the broiler industry.

   In response to requests from the public, AMS began fruit and vegetable shipping point reports on the following commodities:
   - South African apples, clementines, grapes, oranges, and pears
   - New Zealand avocados and kiwifruit
   - Argentinean blueberries

2. Dissemination of Market Reports by Internet:

Efforts to facilitate report access through the Internet continue. Through the AMS Internet home page, users can access all current reports as well as use search engines to retrieve recent historical data from an 18-month archive. The home page includes hot links to several other Internet sites that carry market information.

The use of broadcast fax, e-mail and especially the Internet has widened the horizons of the Poultry Market News audience and has also given us the opportunity to meet their needs in a more timely manner. The Graphs Section of the web site was expanded to add several graphs depicting various data for turkeys, eggs and poultry. These graphs are updated weekly on the site.

The Dairy Program added more than 100 graphs, tables, and reports to its Internet site to improve information on the production and prices of milk and dairy products. Some of these graphs, tables and reports are updated monthly.

3. International Cooperation and Reporting:

In April 2001, the executive committee of the Market Information Organization of the Americas convened in AMS offices in Washington, D.C. to plan future events of the organization, which was formed by AMS and their counterparts in various Western Hemisphere nations. The entire group will promote the exchange of agricultural market information and recommend technological advancements to member nations.

An AMS team of Market News specialists traveled to Nigeria and Ecuador as part of a U.S. Agency for International Development-funded project to help food marketers in those nations more readily exchange market information for the benefit of industry members.

INSPECTION, GRADING, AND STANDARDIZATION

Current Activities:

AMS grading and certification services provide impartial verification that agricultural products meet contractual quality standards. Use of AMS' Federal grading program is strictly voluntary, with users paying for the cost of the service. AMS develops quality grade standards for commodities as required or requested by industry and consumer groups. The Agricultural Marketing Act of 1946 directs USDA to provide such quality grade standards "to encourage uniformity and consistency in commercial practices." There are 597 quality grade standards in place for poultry, eggs, rabbits, meat, dairy products, fresh and processed fruits and vegetables, cotton, tobacco, and livestock. These food and fiber standards are widely used by private industry in domestic and international trading, as the basis for futures market contracts, and as the benchmark for purchase specifications in most private contracts.

The shell egg surveillance program monitors the disposition of "restricted eggs" (eggs that are cracked, dirty, incubator rejects, inedible, leaking, or otherwise unfit for human consumption) to ensure that only eggs fit for human consumption are available to consumers. Inedible eggs constitute a small proportion of all shell eggs. Most inedible shell eggs are used in animal feed; the remainder are destroyed.

The Plant Variety Protection Act provides legal protection to developers of new varieties of plants that reproduce sexually.

Selected Examples:

1. Shell Egg Surveillance:

As a result of plant closings and consolidations, the number of shell egg handlers inspected at least quarterly in fiscal year 2001, decreased 2% to 616 from 628 in fiscal year 2000. The number of hatcheries inspected annually decreased 4% from 395 in fiscal year 2000 to 380 in fiscal year 2001.

2. Grading and Standardization:

a. Cotton Classing:

AMS classified 16 million samples of cotton under the grower classing program in fiscal year 2001, with all cotton classed by the high volume instrument (HVI) method. In addition, the Cotton Program classified 367,230 samples under the Cotton Futures Act. Classification data is provided electronically via telecommunication to growers or their agents. The Cotton Program's central database transmitted requested information for 19 million bales. Almost half of the requests were from cotton merchants.

Fees and Charges in Effect:

Service Performed	FY 2001 Fees a/
Form 1 grading	$1.35 per sample

a/ This is the base fee. There is a five cents per sample discount if producers are billed through voluntary central agents (e.g., cotton gins and warehouses).

b. Tobacco Grading:

In fiscal year 2001, 488 million pounds of domestically produced tobacco was graded by Federal tobacco inspectors and sold at auction markets and 149 million pounds at contract delivery stations. In addition, AMS reinspected about 50 million pounds of tobacco pledged as collateral by growers under the Commodity Credit Corporation loan program.

The Dairy and Tobacco Adjustment Act of 1983 requires that all tobacco (except cigar and oriental types) imported into the United States be inspected to ascertain the type and quality of imported tobacco. During fiscal year 2001, AMS inspected approximately 136 million kilograms of imported tobacco.

The imported tobacco pesticide testing and certification program, initiated in 1986, requires that all flue-cured and burley tobacco offered for importation into the United States be free of prohibited pesticides. A total of 132 million kilograms of imported flue-cured and burley tobacco were tested for pesticides during fiscal year 2001.

Fees and Charges in Effect:

Service Performed		FY 2001 Fees
Permissive inspection	Regular time	$47.40 per hour
	Overtime	53.70 per hour
	Sundays and Holidays	64.45 per hour

Domestic tobacco grading	1.00 per hundred pounds
Imported tobacco grading	.99 per hundred kilograms
Permissive certification of Export Tobacco	.25 per hundred pounds

Imported tobacco pesticide testing and certification:

A. Self-certification (If importer certifies that tobacco is within pesticide residue tolerance)	.77 per hundred kilograms
B. Non-certification (If importer does not certify that the tobacco is within pesticide residue tolerance)	1.54 per hundred kilograms

c. Poultry and Egg Grading:

Approximately 92 percent of poultry grading services are provided on a resident basis. In most of these instances, a full-time grader is stationed at the plant requesting service. The remaining 8 percent of poultry grading services is provided on a non-resident (lot grading) basis. During fiscal year 2001, AMS provided resident service in 129 poultry plants, grading 14.5 billion pounds of poultry. Resident services were also provided to 152 shell egg plants where 1.5 billion dozen shell eggs were graded. This represents 64 percent of the turkeys slaughtered, 36 percent of the broilers slaughtered, and 33 percent of the shell eggs produced in the U.S., excluding eggs used for breaking and hatching.

Fees and Charges in Effect:

Service Performed	FY 2001 Hourly Fees
Non-Resident Plant	
Regular Time	$51.32
Saturday, Sunday, Holiday	59.12
Resident Plant	31.26-45.10*

* Depending on the volume of product handled in the plant.

d. Meat Grading and Certification:

During fiscal year 2001, meat grading and certification services were provided to approximately 330 meat packing and processing plants and other food establishments nationwide. A total of 21 billion pounds of red meat (beef, lamb, veal, and calf) were graded during the year. This figure represents 95.4 percent of steers and heifers, 88.3 percent of lamb, and 30.3 percent of veal and calf commercially slaughtered in the U.S. In addition, almost 19 billion pounds of meat and meat products were certified for specification, contractual, or marketing program requirements; and 19 product reviews were performed for Department of Defense contracts valued at over $30 million.

Fees and Charges in Effect:

Service Performed	FY 2001 Hourly Fees
Commitment grading	$45.00
Non-commitment grading	52.00

Overtime grading	57.00
Holiday grading	90.00

e. Livestock Grading:

In fiscal year 2001, AMS inspected and graded against contract specifications approximately 18 million pounds of livestock delivered to settle futures contracts for the Chicago Mercantile Exchange.

Fees and Charges in Effect:

Service Performed	FY 2001 Hourly Fees
Base grading	$29.40
Overtime grading	32.80
Holiday grading	58.80

f. Processed Fruit and Vegetable Grading:

In fiscal year 2001, AMS graded approximately 20.4 billion pounds of processed fruits and vegetables at 302 processing plants, 15 field offices, 1 suboffice, and 12 inspection points. In addition, AMS is continuing to conduct audits under the Qualified Through Verification (QTV) program. The QTV program was developed to meet the needs of the Fresh Cut Produce industry. AMS is also doing quality and sanitation audits for Sysco Corporation, and Alliant Foodservice, Inc. (formerly known as Kraft).

Fees and Charges in Effect:

Service Performed	FY 2001 Hourly Fees		
	Base	Overtime	Holiday
Lot inspection	$47.00	$70.50	$94.00
Yearly contract (in-plant)	36.00	54.00	72.00
Requested Additional Graders (in-plant)	47.00	70.50	94.00
Seasonal contract (in-plant)	48.00	72.00	96.00

g. Fresh Fruit and Vegetable Grading:

Grading services for fresh fruits and vegetables are available at shipping points and in receiving markets throughout the U.S. and in Puerto Rico. In fiscal year 2001, AMS graded or supervised the grading of approximately 80 billion pounds of fresh fruits, vegetables, and specialty crops. Grading services were provided by approximately 4,500 Federally supervised and licensed State employees at shipping points and cooperative market locations, and by approximately 170 Federal employees at 38 Federal markets.

To strengthen the inspection program, AMS is developing and implementing several major infrastructure improvements within the Terminal Market Inspection Program for fresh fruits and vegetables. AMS opened a 17,000 square-foot National Inspector Training and Development Center on July 16, 2001, with its first 10-week New Inspector Training Class. During the 10-week class, 17 Federal and 9 Federally licensed State inspectors were provided with intensive classroom and laboratory training on inspection procedures and over 60 fresh fruit and vegetable commodities. The students also received training on ethics and conduct, safety and health, digital imaging, and pertinent administrative matters. The students performed extremely well on the weekly assessments, and AMS is confident that the industry will benefit tremendously from the

more accurate and uniform inspection results provided by highly trained staff now that they have returned to their inspection offices. The National Inspector Training and Development Center includes a classroom complete with sophisticated audio/visual equipment, a grading lab equipped with lighted grading tables and an image-projection system, and a computer lab with enough work stations for each student. Other features include a library with resource materials, and a multi-media room for on-site creation of computer-based training modules. Beginning in July 2001, one 10-week course for new inspectors was conducted prior to three 2-week courses for experienced inspectors. Three more 2-week courses are scheduled for experienced inspectors before another 10-week course for new inspectors commences in April 2002.

Fees and Charges in Effect:

Service Performed	FY 2001 Fees
Quality and condition inspections of one to four products each in quantities of 51 or more packages and unloaded from the same land or air conveyance:	
--Over a half carlot equivalent product	$86.00
--Half carlot equivalent or less of each product	$72.00
--For each additional lot of the same product	$14.00
Condition only inspections of one to four products each in quantities of 51 or more packages and unloaded from the same land or air conveyance:	
--Over a half carlot equivalent of each product	$72.00
--Half carlot equivalent or less of each product	$66.00
--For each additional lot of the same product	$14.00
Quality and condition or condition only inspections of five or more products each in quantities of 51 or more packages and unloaded from the same land or air conveyance:	
--For the first five products	$305.00
--For each additional product	$43.00
--For each additional lot of any of the same product	$14.00
Quality and condition or condition only inspections of products each in quantities of 50 or less packages unloaded from the same land or air conveyance:	
--For each product	$43.00
--For each additional lot of any of the same product	$14.00
Dock-side inspections of an individual product unloaded directly from the same ship:	
--For each package weighing less than 15 pounds	1.1 cents
--For each package weighing 15 to 29 pounds	2.2 cents
--For each package weighing 30 or more pounds	3.3 cents
--Minimum charge per individual product	$86.00
--For each additional lot of the same product	$14.00
Inspection performed for other purposes during the grader's regularly scheduled work week (hourly)	$43.00

Overtime or holiday premium rate (per hour additional) for all inspections performed outside the grader's regularly scheduled work week (hourly)	$21.50
Inspections performed under 40 hour contracts during the grader's regularly scheduled work week (hourly)	$40.00
Rate for billable mileage (per mile)	$1.00

h. Dairy Products Grading:

Dairy products grading, laboratory analysis, and plant inspections assure purity and quality of dairy products. An AMS grade is required on all products sold to the Commodity Credit Corporation under the dairy price support program. Upon request, AMS also grades dairy products sold in commercial channels. In fiscal year 2001, AMS graded approximately 1,610 million pounds of dairy products, and conducted 1,100 dairy plant inspections and audits to assure sanitation of processing facilities.

Fees and Charges in Effect:

Service Performed	FY 2001 Hourly Fees
Continuous resident service	$51.00
Product grading	56.00
Night differential product grading	61.60
Holiday, Saturday, Sunday	84.00

i. Standardization:

Domestic and international standards are developed for use in grading, acceptance, and certification services for the food and fiber industries. Before standards are implemented, studies are conducted and proposed standards are announced. Public comments are then solicited to verify that quality grade standards will facilitate commerce. In addition to their use by private industry in domestic and international contracting, USDA food and fiber standards have, to a great extent, become the basis for international harmonization of food grades recognized by Codex Alimentarius and the Economic Commission for Europe. Consequently, U.S. food grade standards are expected to play an integral part in NAFTA and the World Trade Organization.

In fiscal year 2001, 139 standards were reviewed, including 21 for cotton products, 14 for tobacco, 10 for fresh fruits and vegetables, 52 for processed fruit and vegetable products, 17 for poultry, 20 for livestock and meat, and 5 for dairy products. A total of 15 standards were revised, including 5 for dairy products, 4 for fresh fruit and vegetables, 2 for processed fruit and vegetable products and 4 for poultry.

j. Voluntary Seed Testing:

AMS offers seed inspection and certification services to interested parties for a fee. Most of the users of this service are exporters of seed. During fiscal year 2001, AMS issued 1,849 Seed Analysis Certificates.

3. Plant Variety Protection Act:

The Plant Variety Protection Act (PVPA) program is voluntary and self supporting. The PVPA provides legal intellectual property rights protection to developers of new varieties of plants that are sexually reproduced or tuber-propagated. Varieties of approximately 100 species of plants are currently protected under the PVPA. Each developer of a new variety is assessed a fee of $3,025 to cover the cost of filing, searching, issuing, informing the public, and maintaining plant variety protection certificates. The current fees were effective as of fiscal year 2001.

In fiscal year 2001, AMS received 292 applications for protecting new agricultural, floral, and seed plant varieties. A total of 1,043 applications, including some from previous years, were pending action at the end of fiscal year 2001. During the fiscal year, AMS conducted searches on 613 applications to determine whether the plant constituted a new variety and issued 495 certificates of protection. At the end of the fiscal year, 3,752 certificates were in force and protection had expired on 134 different varieties.

MARKET PROTECTION AND PROMOTION

Current Activities:

AMS administers several laws under this activity, including the Agricultural Marketing Act of 1946; the Food, Agriculture, Conservation, and Trade Act of 1990; the Federal Seed Act; research and promotion acts for beef, cotton, dairy products, eggs and egg products, fluid milk, honey, pork, soybeans, watermelon, mushrooms, potatoes, popcorn, and the Commodity Promotion, Research, and Information Act; the Export Apple Act, and the Export Grape and Plum Act. These laws regulate various marketing activities and the administration of each includes one or more of the following: collection of pesticide residue data and recordkeeping; issuance, suspension or revocation of licenses or registration; collection and testing of seed samples; audits of books and records; investigation of complaints and violations; and settlement of disputes.

Selected Examples:

1. Pesticide Recordkeeping Program:

AMS entered into 33 cooperative agreements in fiscal year 2001 with State or Territory pesticide regulatory agencies to conduct educational and/or compliance activities. Compliance work mainly consists of conducting inspections of certified private applicators' (farmers) restricted use pesticide records. In addition, AMS conducted inspections of pesticide records in five States utilizing Federal inspectors. Federal inspectors inspect records in States that are unable to enter into cooperative agreements with AMS for various reasons. AMS places a high level of emphasis on education to promote compliance to the regulations and makes special efforts to reach certified private applicators in minority and under-served categories to assure they can comply with the regulations. Materials are developed both in English and Spanish that reinforce the benefits of good pesticide recordkeeping practices and outline the Federal requirements of the pesticide recordkeeping regulations. Educational activities are also extended to medical professionals who provide service to agricultural communities. The purpose of these educational efforts is to inform medical professionals of their ability to access restricted use pesticide record information for medical treatment as authorized by the regulations.

2. Pesticide Data Program:

USDA implemented the Pesticide Data Program (PDP) beginning with fresh fruits and vegetables in May of 1991. The Program was extended to processed commodities in 1994, grain commodities in 1995, milk from January 1996 through October 1998, and acute single-serving dietary risk assessment

studies in 1997. PDP extended its sampling and testing infrastructure to include poultry as well as nut-based products such as peanut butter in FY 2000, and beef and drinking water in FY 2001.

In June 1992, USDA, EPA, and FDA signed a Memorandum of Understanding (MOU) to guide USDA in prioritizing residue testing activities. In response to the 1993 National Academy of Science report, "Pesticides in the Diets of Infants and Children," EPA requested and USDA implemented testing of additional high consumption foods for infants and children. PDP is now a critical component of the 1996 Food Quality Protection Act (FQPA), which directs the Secretary of Agriculture to provide improved data collection of pesticide residues, standardized analytical and data reporting methods, and increased sampling of foods most likely to be consumed by infants and children.

Over the past ten years, 45 commodities have been included in PDP's sampling and testing. Beginning in FY 2001, EPA requested registration-driven changes mandated by the 1996 Food Quality Protection Act. Crops previously in the testing profile were reintroduced to determine if there are measurable changes in the residue profile. These commodities are fresh apples, bananas, broccoli, carrots, celery and peaches. In addition, new commodities introduced in fiscal year 2001 included barley, rice, and tomato paste. PDP also continued a second year survey of cherries and nectarines, two highly seasonal commodities that are only available three months of the year.

PDP provides comparative pesticide residue data between fresh versus processed commodities, which may represent different commodities as well as different markets. In addition, PDP provides an in-depth pesticide residue comparison for selected domestic versus imported commodities. Types of commodities in the testing system include fresh fruits and vegetables, canned and/or frozen products, juices, grains, milk, specialty products and drinking water. Each product type has a different sampling system based on product marketing and a residue testing profile that is specific to each product type.

Annual Data summaries were published from 1991-1999. Over 3,500 copies of the 1999 summary were distributed. At least three years of data for each sample tested is posted on the Program's web site at: http://www/ams.usda.gov/science/pdp/. In fiscal year 2001, 12,400 samples were tested resulting in over 70,000 analyses. The calendar year 2000 summary draft currently under review covers 10,907 samples; 80 percent of the samples tested were domestic and 20 percent imports. Residues were detected in approximately 43 percent of all samples. Fewer residues were detected in poultry, processed products and grains than in fresh fruit and vegetables. State and Federal laboratories perform analyses for more than 150 pesticides using multi-and specific-residue methods.

3. Microbiological Data Program:

In FY 2001, USDA implemented the preliminary phase of the Microbiological Data Program. A statistical sampling plan that uses the Pesticide Data Program's infrastructure was put in place. AMS developed standard operating procedures (SOPs) that ensure integrity of the sample during collection and shipping. Sample inspectors were given supplies and training to collect samples following aseptic techniques. Similarly, SOPs for laboratory operations were developed by AMS with the support of microbiologists from the Food and Drug Administration, the Centers for Disease Control, and State laboratories. Four commodities – leaf and romaine lettuce and imported and domestic tomatoes -- were sampled and sent to Microbiology laboratories in eight states (California, Colorado, Florida, Michigan, New York, Ohio (includes Maryland samples), Washington and Wisconsin) and the AMS Eastern Laboratory (for Texas samples). Laboratories conducted method validation on these commodities for generic *E. coli* and presence or absence of *Salmonella spp.* A temporary system for electronic transmission of data was developed for all laboratories. Approximately 6,000 analyses were performed on 3,000 samples and are currently under quality assurance review by staff microbiologists.

4. Federal Seed Program:

AMS depends on cooperative agreements with each State to regulate interstate commerce of agricultural and vegetable seeds with regard to labeling. Under these agreements, the States refer apparent violations of the Federal Seed Act to AMS for verification and appropriate action. In cooperation with State agencies, AMS conducted field tests on 1,026 samples at five different locations to determine trueness-to-variety of seed in interstate commerce. In fiscal year 2001, AMS received 402 new complaints from 27 States, resulting in 515 cases. AMS tested 483 regulatory seed samples from 27 States and tested 147 mail order seed samples from 12 seed companies.

During fiscal year 2001, 55 Federal Seed Act cases were administratively settled with penalty assessments totaling $23,275 and ranging from $875 to $5,075. AMS participated in one inspector training workshop.

5. Research and Promotion Programs:

AMS provides administrative oversight to a number of industry-funded commodity research and promotion programs. Industry research and promotion boards collect assessments from producers, and/or importers, processors, and handlers, to carry out programs aimed at strengthening the demand for avocados, beef, blueberries, cotton, milk and dairy products, eggs and egg products, fluid milk, honey, mushrooms, peanuts, popcorn, pork, potatoes, soybeans, and watermelons. It is the responsibility of AMS to review and approve the budgets and projects such as paid advertising, consumer education, industry relations, industry information, retail promotion, food service promotion, export promotion, market research, production research, nutrition research, public relations, and project evaluation proposed by the boards. The industry reimburses AMS for the costs of administrative oversight activities.

The Mushroom Promotion, Research, and Consumer Information Order became effective on January 8, 1993. Producers and importers of 500,000 pounds or less of fresh mushrooms annually are exempt from assessments. On June 25, 2001, the Supreme Court ruled that mandatory assessments for promotional programs under the mushroom program violated the First Amendment of the U.S. Constitution. In July 2001, the Mushroom Council, which administers the mushroom program under AMS supervision, separated promotional activities from its mandatory assessments. The Board reduced its mandatory assessment rate and solicited voluntary contributions for promotional activities. In November 2001, the Council decided to expand its activities funded by mandatory assessment and raise the assessment rate. During FY 2002, the Council expects to receive approximately $1.6 million in mandatory assessments and $400,000 in voluntary contributions.

Established in 1966, the Cotton Research and Promotion Program is completing its 35th year of work directed toward strengthening cotton's competitive position and expanding domestic and foreign markets for U.S. produced cotton. This program, administered by the Cotton Board, is funded by a mandatory assessment of $1 per bale, and a supplemental assessment not to exceed one percent of the cotton in each bale. The Cotton Research and Promotion Act directs the Cotton Board to contract with an organization or association whose governing body consists of cotton producers who have been selected by cotton-producer organizations that are certified by the Secretary to conduct the actual research and promotion projects. The contracting organization is Cotton Incorporated. In an effort to improve the demand and profitability for upland cotton, Cotton Incorporated continues to create new products and to capitalize on non-traditional ways to increase demand for cotton. Cotton Inc. developed new technologies in crop management to support their ongoing emphasis on increasing the profitability of cotton farming. They also made further progress in marketing cotton non-woven

products such as diapers, wipes, and medical care products and developed a new trademark to be used with blended absorbent core non-woven products. Cotton's retail market share on a fabric weight basis remains at 61%; the highest retail figure for cotton in nearly three decades. For fiscal year 2001, assessment collections totaled $60 million: approximately $23 million from imported cotton and the cotton content of imported products, and $37 million from domestically produced cotton.

The Beef Promotion and Research Order, which became effective in July of 1986, authorizes programs designed to maintain and expand domestic and foreign markets for beef. Project areas include promotion, research, consumer information, industry information, and producer communications. "Beef, It's What's for Dinner," has been the focus for advertising the program in recent years. In 2001, cooperative advertising with precooked branded beef items will be used to focus on current eating trends and the consumer desire for convenience. Beef exports have increased sharply during the past decade. Foreign promotion efforts have been formed in Japan, China, Korea, and other Far East countries, as well as in Mexico. In the research area, a major gene mapping project has been funded which may lead to more tender beef. Various research projects have also been funded which have led to increased food safety in packing plants. Consumer information projects range from educational materials for schools to nutrition information for doctors and dieticians. An independent evaluation of the activities carried out indicates a $5 return to producers for each $1 expended. In fiscal year 2001, importers paid about $8.8 million of the $86.1 million in assessments collected. Assessments are split between National programs and State programs. The National Beef Promotion and Research program received $47.5 million of these assessments, while qualified State beef council programs received the remaining $38.6 million. The Livestock Marketing Association's (LMA) 1999 petition for a referendum on the Beef Checkoff Program was determined to be invalid in early 2001. Following the Supreme Court's determination of violation of first amendment rights of free speech in the mushroom promotion program, three Beef Checkoff Program first amendment free speech cases have emerged in the U.S. Courts initiated by LMA and two beef producers. In addition, three beef importers have filed similar complaints in the U.S. Court of International Trade. All cases are still pending.

The Pork Promotion, Research, and Consumer Information Order, which became effective in September of 1986, provides for programs designed to maintain and expand domestic and foreign markets for pork. Project areas include promotion, research, and consumer information. "Pork, the Other White Meat," has been the focus of the promotion and advertising campaigns. The Pork Board has developed and promoted two new pork cuts, "America's Cut" and "Chef's Prime." Exports have increased significantly during the past decade. Japan and other Far East countries have become major export markets. In addition, the Pork Board funded a variety of research projects, in the areas of nutrition, new product development, and food safety. For example, research has shown that pork is much leaner than it used to be. This information has been helpful in emphasizing the leanness of pork in consumer information materials directed at school-age children, doctors and dieticians, and the general public. An independent evaluation of the activities carried out indicates a $5 return to producers for each $1 expended.

A non-binding referendum on the Pork Checkoff Program was conducted between August 18 and September 21, 2000. The majority voted against continuing the checkoff program. As a result, AMS was directed to prepare and issue a final rule to terminate the order and the program conducted under it. However, on January 12, 2001, the National Pork Producers Council (NPPC) and other plaintiffs filed a lawsuit in the United States District Court for Western Michigan challenging the Department's authority to terminate the Pork Checkoff Program pointing out the Act's criteria for holding a binding referendum were not followed. On January 19, 2001, the judge granted the plaintiff's a Temporary Restraining Order prohibiting AMS from publishing a final rule to terminate the program. To terminate the Pork Checkoff Program without a binding referendum, USDA would have to establish that the program is not meeting its statutory purposes. On February 28, 2001, USDA announced that a Settlement Agreement had been reached with the plaintiffs of the lawsuit, which allows the Pork

Checkoff Program to continue with several modifications. The agreement ensures the complete separation of the Board and NPPC and will make the Board more accountable and more responsive to pork producers' concerns. As part of the Settlement Agreement, USDA will conduct a survey in June 2003 to determine if pork producers and importers favor holding a referendum. If 15 percent of those surveyed request a referendum, a binding referendum would be held within 1 year. Following the Supreme Court's determination of violation of first amendment rights of free speech in the mushroom promotion program, NPPC asked the U.S. District Court to rule on the constitutionality of the Pork Checkoff Program. Subsequently, the Campaign for Family Farms which had petitioned for the referendum on the pork program held in 2000 filed a motion with the U.S. District Court concerning first amendment rights.

The Soybean Promotion, Research, and Consumer Information Order, which became effective on July 9, 1991, authorizes programs designed to maintain and expand domestic and foreign markets for soybeans. Project areas include promotion, research, consumer information, industry information, and producer communications. A major share of the Board's budget is devoted to export since nearly 50 percent of U.S. soybean production is exported. The budget also supports efforts that are expected to increase the use of soybeans as human food and animal feed, soy diesel and ink, and a variety of other uses such as adhesives, paints, and plastics. Furthermore, efforts are currently underway to produce a new soybean with increased value to the producer and the consumer. An independent evaluation of the activities carried out indicates an $8 return for each $1 expended. The States collect the industry assessments, retain half, and forward half to the national program. In fiscal year 2001, the national program's share was approximately $30.7 million.

The Honey Research, Promotion, and Consumer Information Order, issued by the Secretary of Agriculture on July 21, 1986, authorized the establishment of the National Honey Board. A producer and importer whose production is less than 6,000 pounds of honey per year and whose honey is distributed directly to retail outlets is exempt from paying assessments. A producer or importer who consumes honey at home, or who donates it rather than sells it, is also exempt. For fiscal year 2001, the Board's assessments are estimated at approximately $3.5 million; about $1.7 million collected on domestic honey and $1.7 million on imported honey. The Board also received $120,000 from the Foreign Agricultural Service (FAS) to help develop markets for honey in other countries and to do other promotional activities out of the United States. The emphasis of the Board's projects is to assure consumers that honey is a wholesome food. To do so, they conduct research focusing on honey's unique nutritional attributes and its role in consumers' health. On May 31, 2001, the program was amended to: change the size and composition of the Board, change nomination and eligibility requirements for some Board members, authorize the Board to develop a voluntary quality assurance program, remove the requirement for small companies to file for an exemption, and require producers to maintain records under the program. On September 28, 2001, the American Honey Producers Association and eight honey producers filed a petition with USDA, alleging that the honey program is unconstitutional, basing the allegations on the Supreme Court's June 25, 2001, decision on the mushroom program, and seeking refunds of assessments. USDA filed a response to the petition on October 25, 2001.

The Egg Research and Consumer Information Act, as amended, authorizes the collection of non-refundable assessments from egg producers to finance research, promotion, and education activities. Producers owning more than 75,000 laying hens pay an assessment of 10 cents per 30-dozen case of eggs. Collections totaled approximately $18 million during fiscal year 2001. Projects related to food safety in food service and high-risk health care institutions, as well as in retail establishments, continued to be given high priority by the American Egg Board. The Board funded several studies to examine salmonella and laying hens. In addition, the Board contracted for numerous research projects to further study the role of eggs and dietary cholesterol in determining plasma cholesterol levels and in providing good nutrition.

The Dairy Production Stabilization Act of 1983 authorized a national program for dairy product promotion, research, and nutrition education as part of a comprehensive strategy to reduce milk supplies and increase consumption of milk and dairy products. This program, administered by a National Dairy Promotion and Research Board, is funded by a mandatory 15-cent per hundredweight assessment on all milk produced in the contiguous 48 States and marketed commercially. The Board's estimated revenue from producer assessments in fiscal year 2001 is $84.2 million of the approximately $254 million collected. Qualified State and regional promotion, research, or nutrition education programs utilize the remainder of the funds collected. The major components of the Board's budget are advertising and sales promotion programs that focus on increasing consumption, mainly of fluid milk and cheese. These programs are directed to specific target audiences. For example, the integrated fluid milk advertising programs are focused on child and adult audiences based upon market research results that showed the greatest potential for increased milk consumption. The Board funds dairy foods and nutrition research projects that increase the breadth of knowledge of dairy products, processes, and nutrition. The bulk of the research is conducted through six Dairy Foods Research Centers located at 12 universities throughout the country. Nutrition research is conducted through two nutrition and health research institutes that focus on nutritional benefits provided by milk and dairy products. In an effort to expand export sales of dairy products, the Board also funds the U.S. Dairy Export Council (USDEC). USDEC, under an agreement with FAS, has established cooperator status for the USDEC which enables them to receive funds for marketing and promotion activities in global markets. The export program targets the Pacific Rim countries and Mexico as the primary areas for marketing and promotion of value-added dairy products. Exports program activities in Mexico were focused on whey, milk powders, ice cream, and cheese; in Japan, cheese and whey proteins and derivatives; in Korea, cheese and whey proteins and derivatives; in China, whey proteins and derivatives and skim milk powder; and in other southeast Asia markets, skim milk powder and whey proteins and derivatives.

The Fluid Milk Promotion Act of 1990 authorizes a national program of advertising to strengthen the position of the dairy industry in the marketplace and to maintain and expand markets and uses for fluid milk products produced in the United States. The Federal Agriculture Improvement and Reform Act of 1996 extended the authority of the program to December 31, 2002. A National Fluid Milk Processor Promotion Board administers the program. The Board is composed of 20 members, 15 representing geographic regions and 5 at-large members appointed by the Secretary of Agriculture, who administer the program. The five at-large members currently include three fluid milk processors and two members from the general public. The Board uses advertising promotions, public relations, and brochure distribution to try to change the attitudes and purchase behavior of the country regarding fluid milk. The program is funded by a mandatory 20-cent per hundredweight assessment on all fluid milk processed and marketed commercially in consumer-type packages by fluid milk processors in the 48 contiguous States and the District of Columbia. Processors marketing 500,000 pounds or less per month are exempt. The Board estimates its collections at $110 million for fiscal year 2001.

Since its establishment in 1972, the National Potato Promotion Board has carried out a coordinated program of research, development, advertising, and promotion. In fiscal year 2000-2001, the Board collected $8.8 million in assessment revenue, mostly on domestic potatoes. Producers with less than 5 acres of potatoes are exempt from assessments. In cooperation with FAS, the Board promotes potatoes in the Pacific Rim countries, and is developing markets in Mexico and South America. The Board received $2.1 million in FAS funds to operate its export marketing plan. The Board's current domestic promotion program aims to convince consumers to serve potatoes at home more often. The program will also continue to reinforce the themes of nutrition and convenience that have been successful in changing consumers' attitudes about potatoes in years past.

The Watermelon Research and Promotion Act, implemented in March 1990, was designed to strengthen the watermelon's competitive position in the marketplace and to establish, maintain, and expand domestic and foreign markets for watermelons produced in the United States. Producers of 10

acres or more annually, importers of 150,000 pounds or more annually, and watermelon handlers are assessed under this program. For the Board's 2000-2001 fiscal year, they expect to receive approximately $1.4 million in domestic assessments, $290,000 in assessments on imports, and receive FAS funds of $120,000. The Board is aggressively pursuing its food service, retailer, and public relations programs. After conducting rulemaking in FY 2001, USDA will conduct a referendum from December 3, 2001, through January 11, 2002, to determine if the watermelon industry approves an amendment to the program to assess all handlers of watermelons, in addition to producers, first handlers, and importers. On July 31, 2001, Red Hawk Farming and Cooling (a watermelon producer-handler) filed a petition with USDA, alleging that the watermelon program is unconstitutional based on the Supreme Court's June 25, 2001, decision on the mushroom program and requesting exemption from assessments. A public hearing on the petition will be held in March 2002 in Phoenix, Arizona.

The Popcorn Promotion, Research, and Consumer Information Act of 1994 was enacted on April 4, 1994. The Popcorn Promotion, Research, and Consumer Information Order became effective on September 1, 1997. Under the Order, processors of more than 4 million pounds of popcorn annually pay an assessment rate of 5 cents per hundredweight. The Board's fiscal year 2001 collections are estimated at $560,000 plus $298,000 from FAS. Composed of nine popcorn processors, the Popcorn Board uses the assessments to conduct generic programs of promotion, research, and consumer information to maintain and expand markets for popcorn.

The Peanut Promotion, Research, and Information Order became effective on July 31, 1999. Under the program, peanut producers pay an assessment of one percent of the value of all farmer stock peanuts. The program generates approximately $10 million annually, which is used to increase consumption of peanuts in domestic and foreign markets through promotion programs and research. Approximately 20,000 peanut producers are covered by the program.

The Blueberry Promotion, Research, and Promotion Order became effective in August 2000 and assessments began on January 1, 2001. Under the program, domestic producers and importers of 2,000 pounds or more of cultivated blueberries annually pay an assessment of $12 per ton to the U.S.A. Cultivated Blueberry Council. The Council uses the funds collected to increase demand for fresh and processed blueberries in the U.S. and abroad. It is anticipated that the program will generate about $1 million annually (mostly from domestic assessments). Approximately 2,000 producers and 50 importers are covered by the program.

The Hass Avocado Promotion, Research, and Information Act of 2000 was signed into law on October 23, 2000. During fiscal year 2001, AMS conducted rulemaking on a program to promote domestic and imported Hass avocados in the United States. A referendum to determine if producers and importers want to be covered by the program will be conducted in FY 2002. Under the program, a 12 member Hass Avocado Board would be appointed by the Secretary of Agriculture to administer the program under AMS supervision. Seven of the Board members must be domestic producers. The initial assessment rate would be 2.5 cents per pound. Exports would be exempt. Based on the 2000-2001 crop year, annual income under the program is estimated at $8.4 million (56 percent from domestic avocados and 44 percent from imports). Of that amount, it is possible that only 15 percent would remain with the national program to be used for generic promotion. The statute authorizes 85 percent of the domestic assessments to be provided to the California Avocado Commission for use in promoting California Hass avocados and 85 percent of the import assessments to be provided to one or more importer groups to promote Hass avocados by country of origin.

Commodity	FY 2001 1/ Assessments Collected (Millions of Dollars)
Beef	$47.5
Blueberries	1.0
Cotton	62.1
Dairy	84.2 (estimated)
Egg	18.0
Fluid Milk	110.0 (estimated)
Honey	3.5
Mushrooms	1.0
Peanuts	10.0
Popcorn	0.5
Pork	57.2 (estimated)
Potatoes	8.8
Soybeans	30.7 (estimated)
Watermelon	1.7
Total	436.2

1/ The fiscal year for the cotton, dairy, egg, fluid milk, honey, mushroom, pork, and popcorn boards coincides with the calendar year. The other boards operate under different 12-month fiscal periods.

6. National Organic Program:

The National Organic Program (NOP) is authorized by the Organic Foods Production Act of 1990. The program is charged with establishing national standards and definitions governing the marketing of certain agricultural products as organically produced. Implementation of the program will involve the accreditation of State and private organizations as certifying agents. The initial proposed rule was published on December 16, 1997, and addressed methods, practices, and substances used in producing and handling organically grown crops, livestock, and processed products, as well as requirements for mandatory certification of organically grown production and processing operations.

The National Organic Standards Board was established in 1992 and consists of 15 private-sector appointees. Board membership is composed of four individuals that own or operate an organic farming operation, two that own or operate an organic handling operation, one that owns or operates a retail establishment with significant trade in organically grown products, three individuals with expertise in areas of environmental protection and resource conservation, three that represent public interest or consumer interest groups, one with expertise in the fields of toxicology, ecology, or biochemistry; and one that is a certifying agent. The Board provides recommendations to the Secretary to carry out the program in accordance with the rules and provisions governing national advisory committees.

In fiscal year 2001, NOP carried out the following activities and accomplishments:

- NOP published the final rule in the Federal Register on December 21, 2000.

- NOP hosted three meetings of the National Organic Standards Board to: 1) receive its recommendations for developing additional proposed national standards governing the production and handling of agricultural products labeled as "organic" and not addressed in the final rule, 2) to

review materials for possible addition to the National List of allowed and prohibited substances, 3) so that the NOSB could work on issues regarding the production, handling, and labeling of aquatic animals as organic.

- The NOP began writing management control procedures for handling the accreditation of certifying agents, approval of State organic programs, and equivalency of foreign accreditation.
- The NOP responded to hundreds of inquiries regarding the National Organic Standards from the media, consumers, producers, handlers, certifying agents, and foreign persons and entities.
- The NOP began its 18-month implementation period on April 21, 2001 by starting the accreditation process for certifying agents, approving State Organic Programs, recognizing foreign certifying agents, developing training materials, and facilitating NOSB reviews of substances.
- Beginning on October 21, 2002, the official USDA organic seal will be permitted for use on certified organic fresh and processed products.

7. Market Assistance:

To assist minority, small, and disadvantaged farmers, AMS developed a Project United Exports, and co-sponsored a forum with the Committee to Enhance Resources for Under-served Farmers. Co-sponsors in these efforts include the National Black Farmers Association, the Georgia chapter of the Black Farmers and Agriculturists Association, Michigan State University, Fort Valley State University, North Carolina A&T University, North Carolina State University, South Carolina State University, and Tuskegee University. Similar efforts continued with the 3rd Agricultural Marketing Outreach Workshop in Modesto, California in cooperation with Cal-Poly, San Luis Obispo. AMS also participated in another Outreach Workshop coordinated by the USDA Office of Outreach that was held in Perry, Georgia and included limited resource farmers from Maryland to Georgia.

TRANSPORTATION SERVICES

Current Activities:

The Transportation Services program promotes and assists in the development of an efficient agricultural transportation system to help improve farm income, expand exports, and meet the transportation needs of rural America. AMS provides assistance to State and local decision-makers and to farmers and shippers in regulatory, policy, and legislative matters. AMS conducts economic studies of domestic and international transportation issues and provides technical assistance and information on agricultural transportation, rural infrastructure and access, and food distribution to producers, shippers, rural communities, carriers, government agencies, and universities.

Selected Examples of Recent Progress

The Transportation Services Program sponsored and held the second National Agricultural Transportation Summit on November 28-29, 2000 in St. Louis, MO. The Summit continued the public dialogue, first begun in 1998 during the Western rail crisis, on important agricultural transportation issues and was attended by more than 200 persons.

During fiscal year 2001, the Transportation Services program published the following:

1. Grain Transportation Prospects. This periodical publication assists grain shippers, processors, railroads, and agricultural producers by providing current updates and prospects affecting grain

transportation. Four issues were published in fiscal year 2001: November 2000, February-March 2001, June 2001, and September 2001.

2. U.S. Agriculture & Transportation: Challenges and Opportunities for the 21st Century. Describes the forces most likely to shape the overall direction of U.S. agriculture, rural America, and forces exerting themselves on the transportation system. The report then develops a set of implications that these forces may have on agriculture and the ability of the transportation system to accommodate and support 21st century U.S. agriculture. Finally, the report poses strategic questions and issues that should be addressed to ensure that transportation continues to be one of U.S. agriculture's strongest assets.

3. Long-Term Trends in Railroad Service and Capacity for U.S. Agriculture. Identifies and describes long-term trends in railroad services and capacity for U.S. agriculture and discusses the likely long-term implications of these trends to U.S. agriculture.

4. Inland Waterborne Transportation--An Industry Under Siege. This report concentrates on two important inland waterways issues: the feasibility of increasing the functional capacity of the Upper Mississippi River-Illinois Waterway to move agricultural and other commodities to foreign markets, and evaluations of structural alternatives that may increase the survival of juvenile anadromous fish through four Snake River dams.

5. Transportation, Handling, and Logistical Implications of Bioengineered Grains and Oilseeds: A Prospective Analysis. Describes and analyzes the transportation, handling, and logistical implications likely to result from adoption of bioengineered grains and oilseeds in U.S. agriculture.

6. Long-Term Structural Shifts in Grain, Oilseed, and Animal Industries in the United States. The goal of this analysis was to provide a baseline in the year 2020 from which the transportation industry, policymakers, and other analysts can discuss key findings and implications of structural shifts in U.S. agriculture.

Rail Transportation Issues

During fiscal year 2001, the following Surface Transportation Board (STB) filings were completed:

- STB Ex Parte No. 582 (Sub-No.1) - Major Rail Consolidation Procedures: Comments on the Proposed Rules. The STB issued new regulations governing major rail mergers. USDA informed STB that its proposed regulations governing major railroad consolidations fell far short of protecting the public interest. November 17, 2000.

- STB Ex Parte No. 634 – Consolidated Financial Reporting by Commonly Controlled Railroads. USDA agreed that consolidated financial reporting would have some benefits, but expressed concern that it could have possible adverse effects on smaller railroads serving rural areas. USDA recommended that commonly-owned non-contiguous lines should not have the same reporting requirements as those that are commonly-owned contiguous lines.

- STB Ex Parte No. 582 (Sub-No.1) B Major Rail Consolidation Procedures: Reply Comments. USDA strongly supported STB's proposal that Class I railroads which seek to merge be required to enhance rail-to-rail competition as a condition for a proposed merger's approval.

- STB Finance Docket No. 34000 – Canadian National Railway Co. et al. - Control – Wisconsin Central Transportation Corp. et al. Although USDA did not oppose this merger, it did not support it due to concerns regarding continuing concentration in the rail transportation market.

Domestic Trucking Issues

- Participated in a trucking seminar sponsored by the Agricultural Transporters Conference (ATC) of the American Trucking Association regarding important agricultural transportation issues and concerns the group is trying to address for its members with USDA's assistance.

- Facilitated and hosted a meeting of ATC members and Secretary Veneman to discuss agricultural trucking issues and pending legislation on new hours-of-service regulations for truck drivers. The meeting provided an opportunity for ATC members to learn of USDA's positions/views on trucking issues and concerns.

- Met with the Oregon Association of Nurserymen's Transportation Task Force to explore ways USDA can help the group obtain reasonable truck freight rates.

- AMS participated in trucking seminars with the California Grape and Tree Fruit League and the California-Arizona Perishable Traffic Council and continued to monitor domestic trucking issues, including a shortage of drivers, hours of service rules, higher fuel prices, and cross border issues with Mexico.

- In response to food safety and quality concerns on the part of refrigerated trucking companies and allied industries, several thousand copies of the revised handbook *Protecting Perishable Foods during Transport by Truck* were distributed.

Ocean Transportation Issues

Onions, lentils, wine, and hay were added to the list of commodities tracked by the Ocean Freight Rate Bulletin. This quarterly report for exporters compares freight rates and services for a variety of high-value agricultural products. Workshops, seminars, and studies on transporting identity preserved grain were undertaken in cooperation with North Dakota Sate University.

Exporter Assistance via the Internet www.ams.usda.gov/tmd/tmdsea.htm

Access to valuable resources was enhanced by the addition of several publications and trade articles on the AMS website including Issues II and III of the *Agricultural Ocean Transportation Trends, Diversify Your Wheat Markets, "How to Establish Identity Preserved Channels Using Containers," Protecting Perishable Foods during Transport by Truck*, and an updated version of the *Freight Forwarder Directory*. Many trade journals re-published portions of the *Agricultural Ocean Transportation Trends* report. Many sections of *A Guide for Livestock Exporters* were updated and posted on the website, including air carriers, ocean carriers, financial aspects, animal health, insurance and marketing. A report *on U.S. to China Agricultural Transportation* and a report titled *East Africa Subregion: Enhancing Transportation Management To Foster U.S. Agricultural Trade Opportunities* were made part of country transportation reports. The weekly *Grain Transportation Report* continues to be very popular.

WHOLESALE MARKET DEVELOPMENT

Current Activities:

AMS promotes regional economic development and effective facilities for wholesale, assembly, farmers and direct market operations, thereby enhancing the overall effectiveness of the food marketing system and providing better quality products to consumers at reasonable cost. The program facilitates market access for the small-to-medium-sized grower, and sponsors broad research on agricultural marketing with emphasis on changes in marketing channels and the resultant impact upon agricultural markets and facilities.

Selected Examples of Recent Progress:

Conferences and Workshops:

- Presentation at the Suwannee Valley Field and Greenhouse Grower's Conference and Trade Show, Live Oak, FL, on potential use of the Internet in the produce business and recommendations on how to initiate a small farm Internet business.

- Assisted the Hawaii Tropical Flower Council with e-Commerce possibilities and applications and participated in "Hawaii Agriculture 2001" Conference at Hilo, HI, with presentations on USDA assistance for farm direct marketing and Internet marketing for small farmers. Participated in the "Hawaii to Go" conference in Wailea, HI, and presented information on the history, operations and priorities of the Federal-State Marketing Improvement Program.

- Sponsor and presenter at the North American Farmers' Direct Marketing Association's Annual Conference in Mesa, AZ.

- Sponsored and served lead role in planning and coordinating the National Association of Produce Market Managers Convention 2001 in St. Louis, MO.

- Presented a seminar at the "Food Forum" in Homer, AK, to Alaska food industry leaders focusing on current issues pertaining to their agricultural and seafood industries.

- Presented findings at the 2000 Alabama Fruit and Vegetable Growers Conference in Gulf Shores, AL, related to the Alabama Market Assessment and Development Study, an AMS-sponsored project undertaken with the Alabama State Farmers Market Authority to support farmers interested in growing produce as an alternative to traditional crops.

- Participated in a "leadership conference" on farm-to-school marketing issues held in Toledo, OH, and delivered a presentation on the key opportunities and challenges associated with launching local farm-to-school marketing initiatives. Circulated a draft document that outlined the "lessons learned" from previous AMS-sponsored workshops and pilot projects related to procurement of locally grown food by school systems.

- Moderated a two-hour workshop on "Agricultural Distribution Issues in the Global Economy", at the Caribbean Latin American Action annual meeting in Miami, FL. Facilitated a discussion with key business leaders in the supermarket industry about the rapidly changing environment for food retailing in Latin America, with specific attention to the impact of foreign investment and global integration on supply procurement, distribution practices and consumer shopping preferences.

- Presented information concerning real world experiences in marketing to school districts at the:
  - Food Distribution Research Society's annual conference in Roanoke, VA.
  - AMS sponsored Marketing Workshop for Small and Limited Resource Farmers in Modesto, CA.
  - 2001 Mid-Atlantic Fruit and Vegetable Conference in Hershey, PA.

- Presented farmers market development strategies, USDA Small Farms initiatives, and available funding at the Southeast Regional Farmers Market Nutrition Program Training Conference in Atlanta, GA.

Facilities Studies:

- Initiated a feasibility study for establishment of a seafood distribution cooperative and development of a wholesale seafood market in Anchorage, AK.
- Initiated a feasibility study to develop a year-round farmers market in Lexington, KY.
- Completed the report on renovation of the Mercado La Paloma, home of a public market and weekly farmers market serving urban Los Angeles, CA.
- Published a report on the development of a farmers market pavilion at the Sycamore Street Market complex in downtown Waterloo, IA.
- Assisted city officials, farmers, and planners with development of a farmers market in Santa Fe, NM.
- Provided technical support to the Alabama Farmers Market Authority in Montgomery, AL to develop potential packing and shipping sites throughout the state of Alabama and the expansion of facilities in Montgomery.
- Assisted the Vermont Department of Agriculture and the Center for Rural Studies with structural and architectural designs and business plan for a farmers market on the waterfront of Burlington, VT.
- Assisted with planning and development of a permanent public/farmers market in downtown Fort Worth, TX.
- Assisted World Trade Center Alaska with studying the need for a seafood distribution cooperative and development of a wholesale seafood market in Anchorage, AK, as well as the study of fresh seafood from central Alaska.
- Provided technical assistance to the Long Island Regional Market Authority in establishing a project to determine the feasibility of a regional farmers market in Suffolk County, New York.

Farmers Markets and Direct Marketing:

- Published an electronic version of the National Directory of Farmers Markets 2000 for Internet dissemination.
- Published, on-line and in print, the "2001 National Directory of Farmers Markets and Direct Marketing Associations" in conjunction with the North American Farmers Direct Marketing Association.
- Published, on-line and in print, a "USDA Farmers Market Coloring Book" for dissemination to farmers and market managers.
- Published, on-line and in print, the "Farmers Direct Marketing Bibliography 2001" –a reference for producers, vendors, market managers, consumers, academics, Extension educators, and Federal and State employees.
- Published the "Consumers' Behavior Regarding Purchasing Decisions in the Fresh Produce Industry" in cooperation with the University of Delaware.
- Initiated a research project to develop simulation models of marketing channels for fresh produce.
- Completed a census of farmers markets to determine their size, scope and growth of industry.

Niche Marketing and Institutional Food Service Marketing:

- Initiated discussions between AMS, chestnut growers and Michigan State University to create a set of product standards for marketing in-shell chestnuts.

- Initiated a cooperative agreement with the Kentucky Department of Agriculture and the Central Kentucky Growers in Georgetown, KY to assess the feasibility of a small vegetable cooperative to provide direct deliveries to local institutional food service customers. AMS will analyze the costs involved and revenues obtained from making direct deliveries of bulk and value-added produce, and evaluate the cost-effectiveness of direct deliveries against using an intermediary for transportation services.

- Worked with NRCS and Florida A&M University to analyze potentially profitable marketing channels for small farmers in the Southeast, including sales to urban school districts, military base commissaries, grocery chains, and restaurants.

- Worked with representatives of the Wallowa County, OR government to investigate specific local and regional market demands/opportunities for weed-free hay and straw. Local ranchers are interested in developing a marketing organization, production standards, transportation solutions, and storage systems to support direct marketing opportunities.

- Published a 30 page document entitled "How Local Farmers and School Food Service Buyers Are Building Alliances", drawn from information presented by school food service and procurement professionals at an AMS-sponsored conference in Georgetown, KY, in May 2000.

- Completed a marketing research project conducted with the Virginia Polytechnic and State University and Virginia Cooperative Extension to create sustainable agricultural marketing opportunities for farmers looking to transition out of tobacco production. Pilot projects involving strawberry production, agri-tourism, and bedding plant production were created. A final research report is being written.

- Worked with the Navajo Nation Department of Agriculture in the area surrounding Shiprock, NM to connect small farmers on the reservation with vendors and consumers. The objective is to investigate local and regional market demand for locally grown and manufactured specialty products.

AGRICULTURAL MARKETING SERVICE

The estimates include appropriation language for this item as follows (new language underscored: deleted matter enclosed in brackets):

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 2946 (7 U.S.C. 1623(b)), $1,347,000.

PAYMENTS TO STATES AND POSSESSIONS

Appropriations Act, 2002	$1,347,000
Budget Estimate, 2003	1,347,000
Change in Appropriation	--

PROJECT STATEMENT

(On basis of appropriation)

	2001 Actual	2002 Estimated	Increase or Decrease	2003 Estimated
Payments for marketing services work unders Section 204(b) of the Agricultural Marketing Act of 1946	$1,347,000	$1,347,000	--	$1,347,000

AGRICULTURAL MARKETING SERVICE

Payments to States and Possessions

Geographic Breakdown of Obligations

2001 Actual and Estimated 2002 and 2003

	2001
Alabama	$50,000
Alaska	62,000
California	86,900
Florida	80,600
Idaho	20,000
Iowa	35,000
Maryland	45,700
Massachusetts	17,500
Michigan	47,050
Minnesota	14,500
Missouri	72,600
Mississippi	65,650
New Mexico	61,500
North Carolina	51,000
Oregon	48,500
Pennsylvania	60,750
South Carolina	89,900
South Dakota	50,000
Tennessee	76,500
Utah	78,000
Virginia	44,000
Washington	50,000
West Virginia	38,500
Wisconsin	75,850
Wyoming	25,000
Total, Available or Estimate a/	1,347,000

a/ Distribution of obligations by State not available until projects have been selected. Funds in 2002 total $1,347,000 and a funding level of $1,347,00 is proposed for 2003.

AGRICULTURAL MARKETING SERVICE

STATUS OF PROGRAM

PAYMENTS TO STATES AND POSSESSIONS

FEDERAL-STATE MARKETING IMPROVEMENT PROGRAM

Goal 1: Facilitate the strategic marketing of U.S. agricultural products in domestic and international markets.

FEDERAL-STATE MARKETING IMPROVEMENT PROGRAM

Current Activities:

The Federal-State Marketing Improvement Program (FSMIP) provides matching funds to State Departments of Agriculture and other State Agencies for 25-35 projects per year. These funds have been used by States to conduct marketing studies or assist in developing innovative approaches to the marketing of agricultural projects.

For fiscal year 2002, States again have been encouraged to submit proposals that reflect a collaborative approach between the States, academia, and the farm sector. States are also urged to consider developing proposals that have regional or national significance and that address challenges and opportunities in the following areas: the global economy, consumer-driven agriculture, agricultural diversity, and technical innovation.

In fiscal year 2001, grant applications were received for 68 projects from 35 States, representing a total request for Federal funds in excess of $3.4 million. Congress appropriated the program $1.347 million, and these funds were allocated among 34 projects from 25 States. For fiscal year 2002, the appropriation for payments to States remains at $1.347 million.

FEDERAL-STATE MARKETING IMPROVEMENT PROGRAM
FISCAL YEAR 2001 GRANTS

State	Purpose	Award
Alabama	To aid market development of the Gulf Coast Satsuma mandarin industry by creating a grower advisory group, developing fruit quality standards, identifying retail markets, evaluating approaches to handling, packaging and labeling, and disseminating results at grower meetings	$50,000
Alaska	To assess the strengths of the Alaska Grown program and how it can be utilized to improve marketing opportunities for Alaska agricultural products	$62,000
California	To design and implement an educational program for wine grape growers about the opportunities to vertically integrate their operations for greater profitability	$35,900

California	To enhance the economic viability of small farms and rural communities, and foster the preservation of farmland and agriculture in the Yolo-Solano-Napa region through a farm trails and agri-tourism project	$51,000
Florida	To implement a new channel of trade via the Daytona Beach Farmers' Market, linking producers of fresh fruits and vegetables, and institutional buyers in the Daytona Beach Metropolitan Statistical Area	$25,900
Florida	To identify and characterize the national Hispanic consumer of seafood and aquaculture products by country of origin; determine the optimum message to positively influence purchasing decisions; determine the best educational and marketing outlets; and disseminate results to producers	$54,700
Idaho	To provide the market information and producer education necessary to encourage pastured poultry production and marketing in Idaho	$20,000
Iowa	To create an information and marketing infrastructure to assist Iowa and Upper Midwest livestock farmers to enter and compete in non-commodity markets for meat and livestock products	$35,000
Maryland	To develop a comprehensive regional marketing plan for bison produced in an 11-State region of the Eastern United States	$44,200
Maryland	To conduct a feasibility study for an on-line virtual farmers' market	$ 1,500
Massachusetts	To identify existing and new markets and marketing systems for value-added, Massachusetts grown lavender and specialty herb products	$ 2,500
Massachusetts	To complete a marketing analysis of the feasibility of bringing farmers and local ethnic restaurant owners together in a mutually beneficial supply-demand relationship focused on specialty foods	$15,000
Michigan	To develop a state-wide accessible Geographic Information System for agri-tourism in Michigan, and assess the economic impact of agri-tourism on the Michigan economy	$47,050
Minnesota	To evaluate potential consumer acceptance of new Christmas tree varieties; identify reasons for consumer resistance to purchasing live Christmas trees; describe demographics and preferences of Christmas tree consumers; update statistics on Minnesota Christmas tree production by variety; and disseminate results to the industry	$14,500

Missouri	To develop and assess demand for locally manufactured fruit brandy and port products, and examine the extent to which sales of fruit brandy and port could enhance the income of small Missouri-based fruit producers	$16,000
Missouri	To assess the United Kingdom's organic grain and oilseed requirements, and to assess and develop Missouri's organic feed grain and soybean production and distribution capabilities	$41,150
Missouri	To implement 'Harvest Connection,' a weekly fax system designed to inform urban chefs about the availability of locally grown fresh and processed food products	$15,450
Mississippi	To address the business and financial training needs of Mississippi agri-businesses through the development of distance learning opportunities, workshops and conferences	$65,650
New Mexico	To complete in-depth case study analyses of 10 farms and ranches and advise them how to effectively improve their marketing programs and business practices to increase direct sales	$34,500
New Mexico	To conduct a farm-to-school pilot project involving three public schools and a newly-formed cooperative of small-scale Hispanic farmers	$27,000
North Carolina	To determine the key factors that influence consumer purchases of fresh Muscadine grapes and Muscadine wines to help growers identify their target markets and improve the marketing of their products	$51,000
Oregon	To evaluate existing research and conduct new research on the nutraceutical properties of cranberry seeds and seed oil, and assess opportunities for new product development	$48,500
Pennsylvania	To develop a model to help successful small-scale food processors create effective marketing strategies for moving their value-added agricultural products into local retail channels	$60,750
South Carolina	To select the best varieties and cultivars of medicinal crops for organic production, develop standardized and scientifically-controlled cultivation and harvesting practices, conduct field tests, and evaluate the market for branded, certified organic South Carolina botanicals	$89,900
South Dakota	To develop a comprehensive Internet web site to assist wheat producers to efficiently market their identity-preserved grain	$50,000
Tennessee	To develop a comprehensive guide and self-evaluation tool based on the experience of successful, diverse Tennessee agricultural entrepreneurs to help start-up valued-added agribusinesses evaluate and improve their marketing plans	$76,500

Utah	To characterize the emerging and rapidly evolving markets for native plants and seeds of the Great Basin region in order to bring about a better balance of supply and demand	$28,000
Utah	To create a Resource Center at the entrance of Capital Reef National Park to showcase and sell high-value crafted wood products made by local and national artisans and craftspeople, provide technical and business assistance to small-scale wood products businesses, and develop a nationally recognized sustainable forest resource center	$50,000
Virginia	To enhance the effectiveness of the State's international promotional efforts through video conferences targeted to potential buyers of Virginia agricultural products in overseas markets	$44,000
Washington	To educate Japanese processors about the characteristics and technical applications of U.S. chipping potatoes, and explore opportunities to grow and export potatoes that meet Japanese specifications	$50,000
West Virginia	To develop a comprehensive, coordinated, centralized data base for lamb marketing information in West Virginia to serve as the basis for analyzing and evaluating marketing alternatives and assessing opportunities to enhance the profitability of small independent lamb producers	$38,500
Wisconsin	To plan and host a workshop and conference to discuss and reach a consensus on dairy cattle guidelines and develop recommendations to USDA for the establishment of official grades	$ 8,600
Wisconsin	To expand the number of farmstead dairy operations; increase production of artisan cheese and specialty dairy products; and improve dairy producer income in Wisconsin and the Upper Midwest	$67,250
Wyoming	To verify statistical models of a video imaging technology to determine carcass cutability and yield of trimmed retail cuts that will become the basis for a market-oriented grid pricing system	$25,000
Total		$1,347,000

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

Appropriations Act, 2002 (from receipts)	$8,424,000
Budget Estimate, 2003 (from receipts)	8,424,000
Change in Appropriation	--

SUMMARY OF INCREASES AND DECREASES
(On basis of appropriation)

Item of Change	2002 Estimated	Program Changes	2003 Estimated
Total Available	$8,424,000	--	$8,424,000

PROJECT STATEMENT
(On basis of appropriation)

	2001 Actual		2002 Estimated		Increase or	2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
Licensing dealers and handling complaints	$40,868,362	90	$8,775,000	95	+ $173,000	$8,948,000	95
Unobligated balance available start of period	-4,027,407	--	-905,579	--	+ 351,000	-554,579	--
Unobligated balance available end of period	905,579	--	554,579	--	- 524,000	30,579	--
Public Law 106-224	30,450,000	--	--	--	--	--	--
Receipts	7,296,534	--	8,424,000	--	--	8,424,000	--
Total, available or estimate	37,746,534	90	8,424,000	95	--	8,424,000	95

PROJECT STATEMENT
(On basis of available funds)

Item	2001 Actual	2002 Estimated	2003 Estimated
Appropriation (P.L. 106-224)	$30,450,000	--	--
Appropriation (from receipts)	7,296,534	8,424,000	8,424,000
Subtotal	37,746,534	8,424,000	8,424,000
Unobligated Balance available, start of period	4,027,407	905,579	554,579
Total available	41,773,941	9,329,579	8,978,579
Total obligations	-40,868,362	-8,775,000	-8,948,000
Unobligated balance available, end of period	905,579	554,579	30,579

AGRICULTURAL MARKETING SERVICE

Perishable Agricultural Commodities Act

Geographic Breakdown of Obligations and Staff Years

2001 Actual and Estimated 2002 and 2003

	2001		2002		2003	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Arizona	$730,688	11	$725,000	11	$746,000	11
District of Columbia	37,127,311	37	5,494,000	40	5,128,000	40
Illinois	611,535	9	613,000	10	625,000	10
New Jersey	784,131	13	785,000	13	800,000	13
Texas	732,440	9	734,000	10	748,000	10
Virginia	882,257	11	424,000	11	901,000	11
Total, Available or Estimate	40,868,362	90	8,775,000	95	8,948,000	95

AGRICULTURAL MARKETING SERVICE

STATUS OF PROGRAM

PERISHABLE AGRICULTURAL COMMODITIES ACT

Goal 2: Ensure fair and competitive agricultural marketing through marketing tools and regulations.

Current Activities:

The Perishable Agricultural Commodities Act (PACA) and the Produce Agency Act are designed to: (1) protect producers, shippers, distributors, and retailers from loss due to unfair and fraudulent practices in the marketing of perishable agricultural commodities; and (2) prevent the unwarranted destruction or dumping of farm products handled for and on behalf of others.

AMS' PACA program enforces these Acts and is funded by user fees obtained from commission merchants, dealers, and brokers handling fresh and frozen fruits and vegetables in interstate and foreign commerce. Violations of the PACA are investigated and result in: (1) informal agreements between two parties; (2) formal decisions involving payments to injured parties; (3) suspension or revocation of licenses and/or publication of the facts; or (4) monetary penalty in lieu of license suspension or revocation.

Selected Examples:

a. PACA Branch To Begin Outreach Partnerships with Fruit and Vegetable Industry Representatives:

During early FY 2002, the PACA branch will be establishing outreach partnerships with fruit and vegetable industry representatives located within the branch's five regional territories. Each outreach partner will be selected on the basis of its constituency's need to be informed about PACA related issues, the number of businesses in its membership and its ability to promote and distribute information in accordance with a partnership agreement that will set forth the topics to be covered during the period the partnership is in effect.

b. PACA Branch Develops Employee Skills Assessment Program:

The PACA branch has developed and implemented an employee skills assessment program that is linked to the branch's employee intranet homepage. This program is being utilized by PACA management to evaluate an employee's knowledge about his/her job duties and responsibilities, and will assist the employee and management in identifying training needs.

AGRICULTURAL MARKETING SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Limitation on Administrative Expenses

Not to exceed [$60,596,000] $63,455,000 (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 Appropriations Committees.

Limitation on Administrative Expenses

Appropriations Act, 2002		$60,596,000
Budget Estimate, 2003		63,455,000
Increase in Limitation	+	2,859,000

Adjustments in 2002:		
Appropriations Act		$60,596,000
Transfer in Estimates for Retirement/Health Pension Benefits a/		1,836,000
Adjusted Base for 2002		62,432,000
Budget Estimate, 2003		63,455,000
Increase over Adjusted 2002	+	1,023,000

The increase of $1,023,000 in the limitation on administrative expenses is to fund pay costs which includes $379,000 for annualization of the fiscal year 2002 pay raise and $644,000 for the anticipated fiscal year 2003 pay raise. This increase in the limitation will allow for uninterrupted grading services in FY 2003.

a/ Estimates for Retirement/Health Pension Benefits are included in the budgets of agencies as a one-time shift of funds. On a comparable basis the full annual cost of the activity is $1,836,000 for 2003.

AGRICULTURAL MARKETING SERVICE

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

The estimates include appropriations language for this item as follows (new language underscored; deleted matter enclosed in brackets):

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 [$13,995,000] $15,485,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

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

Permanent Appropriation, 2002		$6,139,942,369
Less transfers to:		
Department of Commerce to Promote and Develop Fishery Products and Research pertaining to American Fisheries		-79,126,813
Food and Nutrition Service, Child Nutrition Programs		-5,172,458,000
Total Transfers		-5,251,584,813
Transfer in Estimates for Retirement/Health Pension Benefits a/		1,020,000
Adjusted Base for 2002		889,377,556
Budget Estimate, 2003:		
Annual Permanent Appropriation	5,914,335,000	
Less Transfers to:		
Department of Commerce	-79,127,000	
Food and Nutrition Service	-5,193,990,000	
Budget Estimate, Total Transfers	-5,273,117,000	
Budget Estimate, 2003		641,218,000
Decrease from adjusted 2002		-248,159,556

a/ Estimates for Retirement/Health Pension Benefits are included in the budgets of agencies as a one-time shift of funds. On a comparable basis the full annual cost of the activity is $1,020,000.

SUMMARY OF INCREASES AND DECREASES

(On basis of adjusted appropriation)

Item of Change	2002 Estimated		Pay Costs		Program Changes	2003 Estimated
Commodity Purchases	$400,000,000		--		--	$400,000,000
State Option Contract	5,000,000		--	-	$5,000,000	--
Removal of Defective Commodities	1,000,000		--	-	1,000,000	--
Direct Payment Program	17,867,307		--	-	17,867,307	--
Lamb Grading and Certification Support	1,542,683		--	-	1,542,683	--
Emergency Surplus Removal	246,863,093		--	-	31,863,093	215,000,000
Commodity Purchase Service	10,322,000	+	$130,000	+	281,000	10,733,000
Marketing Agreements and Orders	14,607,000	+	315,000	+	563,000	15,485,000
Total Available	697,202,083	+	445,000	-	56,429,083	641,218,000

PROJECT STATEMENT
(On basis of adjusted appropriation)

	2001 Actual		2002 Estimated		Increase or	2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
1. Commodity Purchases							
a. Child Nutrition Program Purchases	$400,000,000	--	$400,000,000	--	--	$400,000,000	--
c. Directed Purchases	199,990,628	--	--	--	--	--	--
d. Emergency Surplus Removal	200,234,102	--	246,863,093	--	- $31,863,093	215,000,000	--
Subtotal	800,224,730	--	646,863,093	--	- 31,863,093	615,000,000	--
2. State Option Contract	--		5,000,000		- 5,000,000	--	--
3. Removal of Defective Commodities	--	--	1,000,000	--	- 1,000,000	--	--
4. Direct Payment Program	39,700,000	--	17,867,307	--	- 17,867,307	--	--
5. Diversion Payment Program	11,900,000	--	--	--	--	--	--
6. Grading and Certification Support	957,317	--	1,542,683	--	- 1,542,683	--	--
7. Administrative Funds							
a. Commodity Purchase Services	9,388,131	54	10,322,000	56	+ 411,000	10,733,000	59
b. Marketing Agreements and Orders	13,630,165	111	14,607,000	125	+ 878,000	15,485,000	131
					1/		
Subtotal	23,018,296	165	24,929,000	181	+ 1,289,000	26,218,000	190
Total Obligations	875,800,343	165	697,202,083	181	- 55,984,083	641,218,000	190
Recovery of Prior Year Obligations	-3,254,060	--	--	--	--	--	--
Unobligated Balance Available, Start of Year	-241,269,708	--	-107,824,527	--	- 192,175,473	-300,000,000	--
Unobligated Balance Available, End of Year	107,824,527	--	300,000,000	--		300,000,000	--
Total, Available or Estimate	739,101,102	165	889,377,556	181	- 248,159,556	641,218,000	190
Retirement/Health Pension Benefits	-1,059,000	--	-1,020,000	--			
Total, Appropriation	738,042,102	--	888,357,556	--			

OBLIGATIONS LEVELS
(On basis of adjusted appropriation)

	2001 Actual	2002 Estimated	2003 Estimated
Appropriation or Estimate	$5,738,448,921	$6,139,942,369	$5,914,335,000
Supplemental Appropriation	200,000,000	--	--
Unobligated Balance Available, Start of Year	241,269,708	107,824,527	300,000,000
Recovery of Prior Year Obligations	3,254,060	--	--
Total Available	6,182,972,689	6,247,766,896	6,214,335,000
Less Transfers to:			
Food and Nutrition Service, Child Nutrition Programs	-5,127,579,000	-5,172,458,000	-5,193,990,000
Department of Commerce	-72,827,819	-79,126,813	-79,127,000
Total Transfers	-5,200,406,819	-5,251,584,813	-5,273,117,000
Total Available after Transfers	982,565,870	996,182,083	941,218,000
Less Total Obligations	-874,741,343	-696,182,083	-641,218,000
Unobligated Balance Available, End of Year	107,824,527	300,000,000	300,000,000

a/ Reflects an increase in FY 2001 pursuant to the Agricultural Risk Protection Act of 2000, P.L. 106-224.

AGRICULTURAL MARKETING SERVICE

Justification of Increases and Decreases
Section 32

(1) An total increase of $1,289,000 in Section 32 Administrative Funds ($24,929,000 available in 2002) consisting of:

(a) An increase of $306,000 and 3 staff years for Commodity Purchase Services to improve the "U.S. origin" review process for purchases.

This increase will enable AMS to provide improved assurance that the commodities purchased are 100 percent domestic. It will also support the agency's ongoing effort to work with the industry to provide a more efficient procurement system.

AMS purchases approximately 683 million pounds of fruits and vegetables per year for domestic food assistance programs at a cost of about $340 million. The purchasing contracts for those commodities require that all of the food products purchased meet the published specifications and that they originate from produce 100 percent grown, processed and packaged in the United States. Bids to sell a commodity are received from firms and reviewed by an AMS specialist to determine the lowest cost purchase, and if program requirements are met. Once the contracts are awarded, the program notifies the successful bidders, and the appropriate AMS grading program performs domestic review functions.

Additional domestic review activities are needed to ensure seller compliance with the domestic origin requirement. This request will pay for additional grading services to collect, identify, track and report Federal procurement contracts. Graders will collect and maintain domestic origin documentation submitted by industry commodity providers and perform a review of the documentation for non-compliance during the execution of the contract. This information will be maintained in a database of non-compliant contracts identified from review of submitted domestic origin documentation. Graders will conduct weekly product reviews of commodities purchased, provide findings to the purchase program and bidders, and maintain a database of findings. AMS will also review submitted domestic origin documentation located at industry and grading service facilities on completed contracts. Finally, the grading programs will assist the purchase program by reviewing, developing, and evaluating commodity specifications based on U.S. grade standards, commercial item descriptions and commodity specifications.

Although this request will temporarily increase administrative costs in relation to the commodities purchased, improved efficiency will ultimately expand the relative volume of commodities purchased. These strengthened review procedures are necessary to provide better assurance of domestic origin for commodities purchased for USDA domestic food assistance programs. These procedures will also provide better information for AMS specialists and industry participants to resolve procurement related issues.

(b) An increase of $600,000 and 6 staff years for Marketing Agreements and Orders to improve oversight and program review activities.

There are 36 active Fruit and Vegetable Marketing Agreement and Order Programs that play a critical role in helping to stabilize market conditions for more than 60,000 producers, with crops valued at more than $5 billion annually. These programs help balance the availability of quality product with the need for adequate returns to producers and the demand of consumers.

AMS is responsible for oversight of fruit, vegetable, and nut market order committee activities. The AMS Marketing Order Program is facing a greater number of regulatory and policy requirements than in the past, including the review of advertising and promotional materials prepared by administrative committees and boards. AMS program resources are stretched to their limit in processing informal and formal rulemaking recommendations in a timely manner, monitoring marketing order and Section 8e (imported commodity) compliance, and ensuring full and effective program oversight. Consequently, the program has been unable to respond quickly to recent requests from industry for new marketing orders and amendments. For example, the pistachio industry is requesting promulgation of a new marketing order and a number of industries, such as caneberries, have indicated a strong interest in new programs. Also, the raisin, cranberry, and Washington potato committees have requested amendments to their marketing orders. These improvements to the Marketing Agreement and Order administration will allow the program to address oversight issues and process actions more quickly.

The increased funds will be used to hire additional marketing specialists, for travel to meetings with committees and boards, and for training. Program performance will be measured by the program's continued ability to meet or exceed its goals in the timely processing of amendments to existing programs in response to the changing marketplace, and the timely establishment of new programs to provide economic stability. These programs assist farmers by allowing them to work collectively to solve marketing problems. Consequently, improvements to AMS' operational efficiency will make marketing order programs more effective.

(c) An increase of $445,000 for pay costs which includes $164,000 for annualization of the fiscal year 2002 pay raise and $281,000 for the anticipated fiscal year 2003 pay raise for Section 32. The increase includes pay costs of $130,000 for Commodity Purchase Services and $315,000 for Marketing Agreements and Orders.

This increase is needed to continue current levels of service in stabilizing market conditions through the purchase of commodities and for Federal oversight of marketing orders. Without adequate funding, AMS will not be able to quickly and efficiently remove surplus commodities from marketing channels or to ensure that industry-run marketing order programs are meeting the requirements of the authorizing legislation.

(d) A total decrease of $62,000, for a total need of $958,000 for Employee Pension and Annuitant Health Benefits of which $383,000 is for Commodity Purchase Services and $575,000 is for Marketing Agreements and Orders.

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

AGRICULTURAL MARKETING SERVICE
Section 32 Administrative Funds

Geographic Breakdown of Obligations and Staff Years
2001 Actual and Estimated 2002 and 2003

	2001		2002		2003	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
California	$826,847	7	$887,000	7	$940,000	8
District of Columbia	21,236,561	149	23,018,000	165	24,192,000	173
Florida	326,925	3	351,000	3	372,000	3
Oregon	482,214	4	517,000	4	548,000	4
Texas	145,749	2	156,000	2	166,000	2
Total, Available or Estimate	23,018,296	165	24,929,000	181	26,218,000	190

AGRICULTURAL MARKETING SERVICE

STATUS OF PROGRAM

SECTION 32

Goal 1: Facilitate the strategic marketing of U.S. agricultural products in domestic and international markets.

Goal 2: Ensure fair and competitive agricultural marketing through marketing tools and regulations.

Current Activities:

AMS directs the purchase of particular commodities in order to help stabilize market conditions. The commodities acquired are furnished to the Food and Nutrition Service (FNS) to meet the needs of the National School Lunch Program and other domestic feeding programs. Purchases are coordinated with FNS to assure that the quantity, quality, and variety of commodities purchased meet the desires of schools and institutions participating in domestic nutrition assistance programs and can be used to assist individuals in meeting the *Dietary Guidelines for Americans*. The Farm Service Agency (FSA) administers the payments to vendors to whom contracts have been awarded, ensures the proper storage of commodities when needed, and assists in their distribution.

The administrative costs for food buying operations and coordination with FNS and FSA are paid from the Commodity Purchase Services activity in the Section 32 program. Section 32 funds are also used for the administration of marketing agreements and orders which are used to establish orderly marketing conditions for certain commodities.

AMS also maintains a government-wide food specification program to reduce government food purchase costs by standardizing contract specifications. For example, specifications for all frozen red meat products have been converted to "Institutional Meat Purchase Specifications," and these commercial specifications are used throughout the meat industry.

Selected Examples:

1. Commodity Purchases:

   In fiscal year 2001, AMS purchased $600 million worth of commodities with Section 32 funds. FNS distributed 854 million pounds of commodities through its nutrition programs. More than 539 million pounds of these commodities were used to fulfill the National School Lunch Program's commodity subsidy of 15 cents per meal for the school year ending June 30, 2001. The remaining 315 million pounds of commodities were used for emergency surplus removal and donated to schools and other institutions. AMS also purchased $420 million (representing approximately 908 million pounds) of commodities using $220 million in funds appropriated to FNS and $200 million appropriated to AMS. The $200 million was appropriated to AMS for purchase of specialty crops that experienced low prices during the 1998 and 1999 crop years. These specialty crops included apples, black-eyed peas, cherries, citrus, cranberries, onions, melons, peaches and potatoes.

   Surplus removal purchases (bonus buys) are in addition to commodities used to fulfill commodity entitlements. For fiscal year 2001, the Secretary authorized funds for the continuation of a lamb bonus program begun in fiscal year 2000. As shown in the following chart, producers of several commodity products received assistance through bonus purchases in fiscal year 2001:

Contingency Fund Expenditures Fiscal Year 2001

PRODUCT	FUNDS
Almonds	$6,079,293
Apple Products	14,096,613
Apricot Products	4,613,070
Asparagus	1,321,936
Beans	2,973,997
Black-eyed Peas	2,339,412
Blueberries	10,642,108
Cherries	15,338,009
Cranberry Products	11,966,639
Dates	1,921,545
Ground Beef	2,925,662
Lamb	9,787,860
Peaches	7,691,914
Plums	4,909,851
Potatoes	35,997,287
Raisins	27,481,737
Raspberries	1,196,129
Salmon	8,199,920
Sweet Potatoes	2,776,975
Tomatoes	5,596,230
Trail Mix	13,377,204
Walnuts	9,000,711
Total	$200,234,102

1/ Trail Mix is a mixture of: dried almonds, cherries, cranberries, date pieces (chopped), fig pieces, prune pieces, and walnut pieces.

Public Law 106-224, The Agriculture Risk Protection Act, appropriated $200 million to AMS to purchase the following specialty crops:

Specialty Crop Purchases Fiscal Year 2001

PRODUCT	FUNDS
Apple Juice	$5,087,681
Apples	13,547,875
Apricots	9,350,733
Beans	6,589,188
Cantaloupe	215,460
Cherries	25,668,267
Corn	9,608,971
Cranberries	6,126,313
Cranberry Apple Juice	1,955,898
Cranberry Juice	15,221,345
Figs	3,760,470
Grapefruit	382,846
Grapefruit Juice	5,859,217
Lemons	381,241
Onions	356,226
Orange Juice	7,381,383
Oranges	743,282
Peaches	8,083,477
Pears	11,978,773
Plums	11,565,532
Potatoes	19,109,537
Sweet Potatoes	3,707,677
Tomatoes	5,897,724
Trail Mix	27,411,512
Total:	$199,990,628

Food Purchase Accomplishments:

In fiscal year 2001, the AMS Fruit and Vegetable Food Purchase Team (Fruit and Vegetable Programs' Commodity Procurement and Economic Analysis Branches and FNS) was recognized for their extraordinary achievements in purchasing more than one billion pounds of surplus commodities and distributing them to domestic assistance programs.

- To assist the industry with grievous market conditions while providing nutritious foods for school children and other needy Americans, the Fruit and Vegetable Food Purchase Team purchased and distributed almost $618 million worth of fresh and processed fruit and vegetables. Normally, USDA purchases and distributes approximately $300 million worth.
- In fiscal year 2001, an unusual number of fruit and vegetable commodities were burdened with enormous over-supply and seriously depressed prices.
- This effort required an increase in the number of surveys, announcements and invitations to bid, contract awards, and food purchased reports.
- Because this activity strained the ability of traditional outlets available to receive the food, the Fruit and Vegetable Food Purchase Team identified and contacted new outlets to receive commodities.
- The team maintained extensive contact with various commodity groups to identify and develop new products that would meet the needs of recipient agencies and allow additional quantities of surplus commodities to be removed from normal market channels.
- As a result of these efforts, USDA purchased and distributed more than one billion pounds of fresh and processed fruits and vegetables.

Disaster Relief:

No disaster relief activity for fiscal year 2001.

Direct Payment to Lamb and Sheep Producers:

In fiscal year 2001, AMS transferred $39.7 million of Section 32 funds to FSA for payments to sheep and lamb producers who were suffering losses. AMS expended $1 million of Section 32 funds for identification and certification services to support FSA's direct payment program to lamb producers. AMS transferred an additional $12 million of Section 32 funds to FSA for a potato diversion program.

Small Business Participation:

AMS focused significant resources on outreach efforts during fiscal year 2001 to increase participation by small, disadvantaged, and women-owned firms in the commodity purchase programs. These efforts included identification of those firms that could potentially participate in AMS purchase programs, site visits, education, and exploration of new contracting methods. AMS conducted four commodity outreach meetings to stress the importance of participation by these types of firms in the commodity purchase programs. Contracting officers from each program reviewed business opportunities for new purchase programs and reviewed subcontracting plans submitted from large firms awarded contracts exceeding the $500,000 threshold. Also in fiscal year 2001, AMS increased the percentage share of contract value awarded to small businesses from 41.8 percent in fiscal year 2000 to 50.5 percent. The percentage for HUBzones likewise increased from 0.4 percent in fiscal year 2000 to 0.8 percent in fiscal year 2001.

Processed Commodities Inventory Management System (PCIMS):

PCIMS is a mission-critical system that supports the commodity programs operations for AMS, FNS, and FSA. In FY 2001, the system was used to plan, procure, order, allocate, distribute, and account for more than $1.7 billion of commodities for domestic use and $5.2 billion of commodities for foreign distribution. PCIMS

combines the processed commodities operations of the three agencies into a single tri-agency system, maximizing USDA's purchasing power and funds control for domestic feeding programs. It contains an accounting and reporting subsystem for tracking and reconciling appropriate funds as purchases are made.

In FY 2001, AMS began using the Domestic Electronic Bid Entry System (DEBES) to receive bids from commodity vendors through the Internet. The bid data is encrypted and stored on a USDA internal database until the published bid opening time. At bid opening time, the encrypted bids are opened, decrypted, and sent into the PCIMS system for bid evaluation and award processing. DEBES was created for use by the AMS and FSA commodity procurement offices to reduce award processing time through bid receipt, bid opening, and reporting functions.

2. Food Quality Assurance Program:

AMS' Food Quality Assurance Staff (FQAS) implements the government-wide Food Quality Assurance Program (FQA) and outreach initiatives to make services available to schools and other institutional food purchasers. The FQA ensures that Federal food product descriptions are consistent, technically sound, cost-effective, and applicable to the procurement of food by Federal, State, local governments, and other interested parties. During fiscal year 2001, 18 Commercial Item Descriptions (CIDs) were developed, coordinated, and approved; 29 CIDs were revised. In addition, 30 food documents, and two CIDs were coordinated and reviewed.

FQA is working with other AMS programs to develop a quality assurance (QA) initiative to help introduce AMS grading programs to State and local school food purchasing programs. The QA initiative offers a package of services that AMS has previously made available separately.

FQA has also begun an initiative to develop a new USDA/AMS website that will enable school food service procurement groups to search for value-added food products from either USDA purchased commodities or commercial products used in school feeding programs. To increase the acceptance of USDA bonus commodities by school food purchasers, FQA is working with other USDA agencies to have school children taste test value-added food products that are made with high percentages of USDA bonus commodities.

3. Marketing Agreements and Orders:

a. Dairy:

Milk marketing orders establish orderly marketing conditions for the sale of milk by dairy farmers to handlers. This program sets minimum prices that handlers must pay for milk. Minimum price levels reflect supply and demand conditions in the markets and assure that consumers receive an adequate supply of pure and wholesome milk. Approximately 118 billion pounds of milk valued at $16.5 billion were delivered to plants in 11 market areas in fiscal year 2001. This production represented an estimated 73 percent of all Grade A milk marketed by U.S. dairy farmers.

During fiscal year 2001, AMS issued an interim final decision on the Class III (cheese) and Class IV (butter and dry milk products) pricing formulas used in the Federal Milk Order Program. The decision was issued in compliance with the Consolidated Appropriations Act, 2000 that mandated consideration of the pricing formulas. AMS implemented the new pricing formulas in January 2001 after receiving approval of the amendments by producers. The U.S. District Court for the District of Columbia enjoined USDA from implementing some of the provisions contained in the decision. As a result, AMS will issue a recommended decision in fiscal year 2002 that will make changes to the formulas consistent with comments filed in response to the interim final decision and the Court's ruling. AMS continues to monitor the dairy forward contracting pilot program for milk marketed under the Federal Milk Order Program. Through August 2001, more than 3,045 forward contracts had been submitted under the pilot program. A study and report to Congress on

the impact that forward contracting has had on prices paid to producers will be conducted in fiscal year 2002. In total, 8 rulemaking documents were issued in fiscal year 2001, meeting agency completion goals 88 percent of the time, thus exceeding the agency's 85 percent performance standard.

b. Fruits and Vegetables:

Program Administration and Rulemaking:

AMS' marketing order programs recently identified and implemented a number of operational efficiencies to effectively carry out its rulemaking responsibility. Moreover, AMS has significantly upgraded the economic analyses of its rulemaking actions, and significantly improved its electronic databases and rulemaking reports. In 2001, AMS published 91 rules and notices in the Federal Register and processed 98 percent of its rulemaking actions within the agency's internal time frames, well exceeding its 85 percent goal. AMS' rulemaking dockets are recognized by other government agencies and marketing order administrative committees for their consistency and high quality analyses.

Major informal rulemaking actions (i.e., notice and comment) were issued for raisins, Florida grapefruit, tart cherries, hazelnuts, papayas, winter pears, California tree fruit, and cranberries. Also, AMS processed a very heavy volume of formal rulemaking (including public hearings and grower referenda) which are summarized below.

AMS made significant strides to establish closer partnerships with marketing order committees, add additional e-business features to web sites, and assist administrative committees in implementing new technologies that enhance effective communications. AMS posted all comments received under rulemaking proceedings on its web site, including over 400 comments received for a cranberry proposal. AMS hosted several panels on emerging e-business technologies at a National Conference of Committee Managers and Chairpersons in September 2000, and a number of committees are now developing systems to permit handlers to electronically file required reports. AMS is currently testing an automated form for importer exemption from inspection for non-regulated uses.

Enforcement:

Marketing Order enforcement is primarily the responsibility of the Federal government, but the administrative committees are charged with initial investigation and reporting of complaints of possible violations. In FY 2001, committees referred 58 cases to AMS for enforcement action. AMS resolved and closed 80 percent of those cases. Stipulation agreements are being used routinely for marketing order and Section 8e violations. AMS successfully negotiated five stipulation agreements for $85,360 for marketing order violations and six stipulation agreements for $17,600 for Section 8e violations. The use of stipulation agreements has significantly reduced AMS referrals to the Office of General Counsel (OGC) and costly litigation. In addition, AMS worked with the OGC and collected 79 percent, or $66,190.76 of the $83,727.67 assessments owed.

Marketing Order Committee Diversity:

The Department continues to strongly support an intensive effort to improve the diversity of marketing order committees. Begun in 1998, the diversity initiative is a wide-ranging program of outreach which includes media contacts, presentations at meetings and conferences, identification and contact of organizations that represent women, minorities, and persons with disabilities, as well as key influencers for each of the commodity industries. It also includes a close collaboration with committees/boards to encourage participation in the nomination process by all growers and handlers and to develop and mentor a pool of diverse candidates. Fifteen committees increased their diversity in FY 2001 – some committees for

the third year in a row. The extensive outreach efforts to improve diversity have resulted in increases in diversity for about 75 percent of all committees in the last 3 years.

Proposed Order Termination:

Marketing Order No. 967 for Florida Celery was proposed for termination on October 9, 1998. AMS expects to issue the final termination order in FY 2002.

Promulgations/Amendments:

Washington Sweet Cherries: In March 2001, USDA issued its Secretary's Decision and Referendum Order on proposed amendments to the marketing order for sweet cherries grown in designated counties of Washington. These proposals were intended to improve the operation and functioning of the Washington sweet cherry marketing order program and were based on evidence obtained in a hearing held in Yakima, Washington, on November 16, 1999. Written exceptions to the recommended decision could be filed through December 11, 2000. Voting in a referendum conducted April 10-27, 2001, growers approved amendments that would: 1) increase the production area to cover all of Washington State east of the Cascade Mountains; increase representation on the Committee; 2) authorize collection of late payment charges and/or interest on handlers' late payments of assessments; 3) add authority to establish container marking requirements; and, 4) simplify the form filing process for committee members and alternates seeking committee positions. The two amendments that did not pass would have established a tenure limit for serving on the committee and required that periodic continuance referenda be conducted to ascertain grower support for the order. For an amendment to pass, it must be approved by at least two-thirds of those growers voting in the referendum or by those growers producing at least two-thirds of the volume of sweet cherries represented in the referendum. The five amendments approved by the growers will become effective after publication in a future issue of the Federal Register.

Tart Cherries: In July 2001, USDA issued amendments to the tart cherry marketing order after they were approved by more than the required two-thirds of those growers voting in the referendum and by processors of tart cherries who have frozen or canned more than 50 percent of the total volume of cherries. A Secretary's Decision published in the Federal Register on December 11, 2000, proposed amendments to the marketing agreement and order which would clarify the current limitation on the number of Board members that may be from, or affiliated with, a single "sales constituency" by amending the definition of that term, and simplify the method used to establish volume regulations for tart cherries.

Pistachios: In September 2000, USDA terminated the proceeding to establish a marketing agreement and order for pistachios grown in California, Arizona, Nevada, New Mexico, and Utah based on a public hearing in August 1996. Subsequently, the California pistachio industry has worked closely with AMS on another proposed order program. The new proposed program is limited only to California production and includes minimum grade and size standards and maximum allowable aflatoxin content. The proponents intend to submit a final proposal in the near future so that USDA can hold a hearing on the proposed program by February 2002.

Administrative Adjudication:

In August 2001, Gerawan Farming, Inc., a handler under the Federal marketing orders for California nectarines and peaches, filed a 15(A) petition with the USDA. The petition seeks the termination of the marketing orders' advertising, promotion and "and other speech related" activities because they are unconstitutional in light of the Supreme Court's recent *United States v. United Foods, Inc.* decision. Gerawan also seeks to be excluded from all future marketing assessments for such activities. The petition is in USDA adjudication.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

ANIMAL WELFARE

Mr. Bonilla: Please provide a table showing, by state, the number of staff years assigned to the animal welfare program, as well as the number of animal care facilities, in each state for fiscal year 2001 and estimated for fiscal years 2002 and 2003.

[The information follows:]

State	Number of Animal Care Facilities			Staff-Years Assigned to Animal Welfare Program		
	FY 2001	FY 2002	FY 2003	FY 2001	FY 2002	FY 2003
Alabama.....	67	67	67	1	1	1
Alaska.....	22	22	22	0.1	0.1	0.1
Arizona.....	63	63	63	1	1	1
Arkansas.....	254	254	254	1.5	1.5	1.5
California.....	577	577	577	9.5	11.5	11.5
Colorado.....	73	73	73	5	5	5
Connecticut.....	74	74	74	1	1	1
Delaware.....	18	18	28	0.25	0.25	0.25
Dist. of Columbia..	12	12	12	1.95	2.85	2.85
Florida.....	423	423	423	4	5	5
Georgia.....	121	121	121	1	2	2
Hawaii.....	33	33	33	0.75	0.75	0.75
Idaho.....	27	27	27	0.6	0.6	0.6
Illinois.....	280	280	280	2.75	3.75	3.75
Indiana.....	164	164	164	1	1	1
Iowa.....	398	398	398	3	3	3
Kansas.....	566	566	566	3	3	3
Kentucky.....	44	44	44	1	1	1
Louisiana.....	70	70	70	0.75	0.75	0.75
Maine.....	24	24	24	0.25	0.25	0.25
Maryland 1/.....	101	101	101	25.75	26.15	26.15
Massachusetts.....	144	144	144	1	1	1
Michigan.....	171	171	171	1	2	2
Minnesota.....	181	181	181	6	5.7	5.7
Mississippi.....	31	31	31	0.5	0.5	0.5

Missouri.....	1,492	1,492	1,492	8.75	10.75	10.75
Montana.....	39	39	39	0.4	1.4	1.4
Nebraska.....	191	191	191	1.75	1.75	1.75
Nevada.....	82	82	82	0.75	0.75	0.75
New Hampshire.....	24	24	24	0.75	0.75	0.75
New Jersey.....	106	106	106	2	2	2
New Mexico.....	26	26	26	1	1	1
New York.....	285	285	285	2	3	3
North Carolina.....	114	114	114	16	16	16
North Dakota.....	42	42	42	0.75	0.75	0.75
Ohio.....	177	177	177	1.75	1.75	1.75
Oklahoma.....	504	504	504	3.75	3.75	3.75
Oregon.....	127	127	127	1	1	1
Pennsylvania.....	348	348	348	3	3	3
Puerto Rico.....	17	17	17	0.25	1.25	1.25
Rhode Island.....	16	16	16	0.25	0.25	0.25
South Carolina.....	47	47	47	0.5	0.5	0.5
South Dakota.....	128	128	128	1	1	1
Tennessee.....	83	83	83	2	2	2
Texas.....	498	498	498	14.5	15.5	15.5
Utah.....	31	31	31	1	1	1
Vermont.....	9	9	9	0.75	0.75	0.75
Virginia.....	100	100	100	1	1	1
Washington.....	91	91	91	1	1	1
West Virginia.....	28	28	28	0.15	1.15	1.15
Wisconsin.....	167	167	167	2	2	2
Wyoming.....	4	4	4	0.25	0.25	0.25
Guam.....	4	4	4	0.05	0.05	0.05
Virgin Islands.....	2	2	2	0	0	0
Total.....	8,720	8,720	8,720	142	156	156

1/ Includes headquarters staff that provides national program direction as well as inspections for Maryland facilities.

Mr. Bonilla: Did you issue the training manual to increase the quality, uniformity, and standardization of inspections and reports of the Animal Care program?

Response: The training manual is actually a series of "guides" for various program components. We have issued two portions of the Inspection Guide, and will issue the remainder soon. The Guide, which is designed to assist the Animal Care Inspector's decision making process by presenting the regulatory and policy criteria in a logical and easy-to-use format, contains four sections: "Dealer," "Research," "Exhibitor," and "Transportation." In May 1999, we distributed the final version of the Dealer Inspection Guide to all APHIS Animal Care personnel and the public. We recently completed the Research Guide and distributed it in the fall of 2001. We aim to complete and distribute the Exhibitors Guide by mid 2002, and to complete and distribute the Transportation Guide by December 2003.

Mr. Bonilla: Provide a table similar to the one that appears in last year's hearing record showing inspection activities of the animal welfare program for fiscal year 2001.

[The information follows:]

	Number of sites	Average number of inspections	Total number of inspections
Inspections for Compliance:			
Dealers	5,205	0.91	4,748
Research facilities	1,421	1.1	1,556
Exhibitors	3,073	0.9	2,753
In-transit handlers	424	0.24	103
In-transit carriers	776	0.36	277
Subtotal	10,899	0.87	9,437
Other Types of Inspections:			
Prelicensing and preregistration inspections	N/A	N/A	1,623
Attempted inspections	N/A	N/A	705
Inspections of dealers and exhibitors - not licensed	N/A	N/A	240
Subtotal			2,568
Total Inspections			12,005

Mr. Bonilla: Did you issue the guidelines to ensure that farm animals used for regulated research, exhibition, and sale are treated humanely in accordance with the Animal Welfare Act?

Response: Yes, we published a notice in the Federal Register on February 3, 2000. On March 3, 2000, APHIS adopted two guides on the use of farm animals for nonagricultural purposes. The first is the "Guide for the Care and Use of Agriculture Animals in Agriculture Research and Training" published by the Federation of Animal Science Societies. The second is the "Guide for the Care and Use of Laboratory Animals" published by the Institute of Laboratory Animal Resources. APHIS issued a Policy on February 11, 2000, clarifying to the regulated industry and our inspectors how we use these two guides.

Mr. Bonilla: Update the table that appears in last year's hearing record showing the funding levels, both dollars and staff, allocated for Regulatory Enforcement and Animal Care for fiscal years 1992 through 2001.
[The information follows:]

REGULATORY ENFORCEMENT

Fiscal Year	Funding (appropriated)	Staff-years
1992	5,904,459	141
1993	5,623,823	125
1994	5,958,354	129
1995	5,858,926	119
1996	5,892,726	107
1997	5,781,600	79
1998	5,933,875	78
1999	6,017,215	77
2000	5,952,782	86
2001	7,452,866 1/	85

1/ Includes $664,794 in pension, rent, and Congressional Relations costs not included in prior years.

ANIMAL WELFARE

Fiscal Year	Funding (appropriated)	Staff-years
1990	7,688,947	174
1991	9,224,947	184
1992	9,447,313	184
1993	9,796,411	179
1994	9,755,805	183
1995	9,585,218	178
1996	9,766,427	157

1997	9,705,776	137
1998	9,812,887	132
1999	9,222,338	127
2000	10,068,718	131
2001	13,320,644 2/	142

2/ Includes $1,155,061 in pension, rent, and Congressional Relations costs not included in prior year data.

Mr. Bonilla: Also update the table that appears in last year's hearing record showing the number of: dealer facilities; complaints registered against these facilities; inspections and re-inspections that took place; cases submitted by Animal Care to Regularity Enforcement for review and action; and each cases resolution to include fiscal year 2001.

[The information follows:]

Category	Fiscal Year 1998	Fiscal Year 1999	Fiscal Year 2000	Fiscal Year 2001
Total number of facilities.	7,773	7,958	8,629	8,720
Inspections/re-inspections.	10,709	9,096	8,779	9,590
Cases submitted	416	188	184	201
Resolution: Official warnings.....	219	143	125	178
Stipulations settled.....	66	79	100	97
Formal ALJ decisions.....	82	28	70	83
Civil penalties by ALJ.....	$378,900	$585,152	$343,301	$365,875
Suspensions/revocations....	34	16	23	20 (est.)

Mr. Bonilla: How many unannounced inspections of registered in-transit carriers and in-transit intermediate handlers were conducted in fiscal year 2001 and how many do you expect to conduct in fiscal years 2002 and 2003?

Response: We conducted 325 inspections in FY 2001. Of this total, 239 were for in-transit carriers and 86 for in-transit intermediate handlers. All were unannounced. For FY 2002 and 2003, assuming all other factors are equal, we project totals of 230 and 330 inspections, respectively, based on the requested funding. The ratio of inspections for carriers and intermediate handlers would remain approximately the same.

Mr. Bonilla: Please provide a copy of your most recent annual Animal Welfare Act report for the record.

[The information follows:]

USDA

United States
Department of
Agriculture

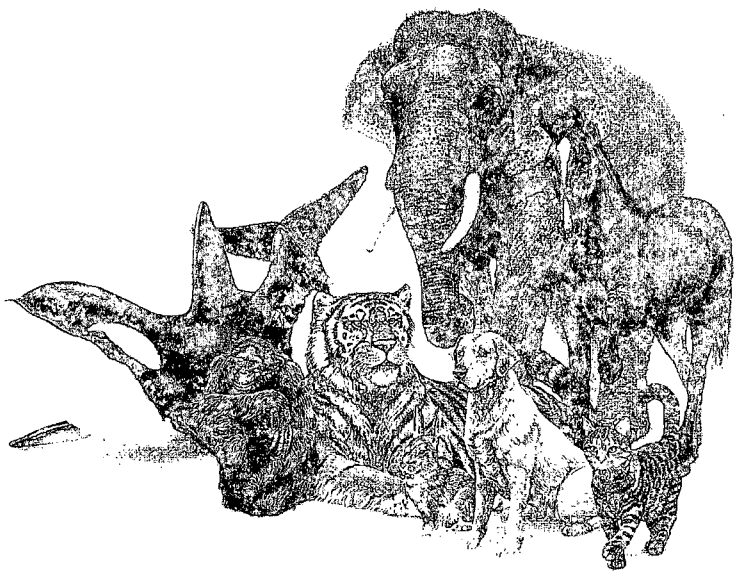
Animal and
Plant Health
Inspection
Service

APHIS 41–35–071

Animal Welfare Report

Fiscal Year 2000

Report of the Secretary of Agriculture
to the President of the Senate and
the Speaker of the House of Representatives



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Animal Welfare: List of Licensed Dealers
Animal Welfare: List of Registered Research Facilities
Animal Welfare: List of Licensed Exhibitors and Registered Exhibitors
Animal Welfare: List of Registered Carriers and Intermediate Handlers

REPORT OF FISCAL YEAR 2000 ACTIVITIES

Each year, the Secretary of Agriculture reports on the administration and enforcement of the Animal Welfare Act (AWA) (7 U.S.C. 2131 et seq.) as required by Section 25 of the Act. This report covers such activities for fiscal year (FY) 2000, October 1, 1999, through September 30, 2000.

In addition to identifying facilities and reporting on investigations and inspections as required by Section 25 of the Act, this report provides information on related enforcement and regulatory initiatives. This report and the data and findings in it are not released outside the Federal Government until it has been made public by Congress.

Performance-Based Management

Under the mandate of the Government Performance and Results Act, the Animal Care (AC) unit of the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) has taken an active role in measuring its effectiveness in meeting the provisions of the AWA. The primary measure used in FY 2000 was the percentage of facilities in compliance with regulations. Based on data available as of November 30, 2000, the overall level of facility compliance remained about the same, 59 percent in FY 1999 and 58 percent in FY 2000. This change reflects a slight downward trend in compliance figures, mainly in the dealer class. The appearance of lessened compliance may be a result of increased oversight through the Enhanced Enforcement Team, which documented more noncompliances at this type of facility.

The AC management team continued development of several additional measures of program effectiveness. A customer satisfaction survey was conducted for regulated facilities in February 1997 and established a baseline level of satisfaction. Before repeating the facility survey, AC plans to survey animal protection organizations.

THE AWA: A LEGISLATIVE AND REGULATORY HISTORY

The Law

In 1966, Congress enacted Public Law (P.L.) 89–544, known as the Laboratory Animal Welfare Act. This law regulated dealers who handle dogs and cats, as well as laboratories that use dogs, cats, hamsters, guinea pigs, rabbits, or nonhuman primates in research.

The first amendment to the Laboratory Animal Welfare Act was passed in 1970 (P.L. 91–579) and changed the name of the law to the AWA. This amendment authorized the Secretary of Agriculture to regulate other warmblooded animals when used in research, exhibition, or the wholesale pet trade.

An amendment in 1976 (P.L. 94–279) prohibited most animal fighting ventures and regulated the commercial transportation of animals. Another amendment was added to the AWA in 1985 as the Improved Standards for Laboratory Animals Act, which was part of the Food Security Act. These amendments required the Secretary to issue additional standards for the use of animals in research.

In 1990, provisions concerning injunctive relief and pet protection were added to the AWA. These two provisions were included in the Food, Agriculture, Conservation and Trade Act of 1990. The injunctive relief provision authorizes the Secretary to seek an injunction to stop certain licensed entities from continuing to violate the AWA while charges are pending. (Injunctions are used in cases of stolen animals and where an animal's health is in serious danger or may become endangered.)

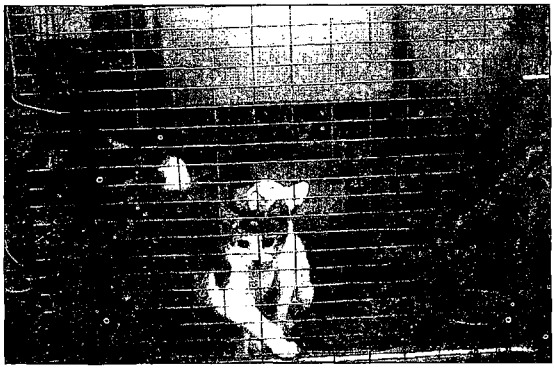
The pet protection provision mandated that the Secretary issue additional regulations pertaining to random-source dogs and cats. (Random source means "dogs and cats obtained from animal pounds or shelters, auction sales, or from any person who did not breed and raise them on his or her premises.")

In April 2000, a Department of Transportation (DOT) law was enacted requiring air carriers to report incidents involving animals. The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (P.L. 106–181, also known as the Federal Aviation Administration [FAA] reauthorization bill) requires carriers to submit monthly reports to the Secretary of Transportation regarding any incidents involving the loss, injury, or death of an animal (as defined by the Secretary of Transportation). The Transportation and Agriculture secretaries will enter into a memorandum of understanding (MOU) to share this information. The law also calls for data based on these incidents to be published as the FAA does for other consumer complaints and incident data.

Provisions of the law also include improving training for air carrier employees concerning the air transport of animals and notifying passengers of the conditions under which the animals are traveling. For example, under the new law, airline personnel would explain the difference in climate between the cargo hold, where the animal is traveling, and the passenger cabin. USDA expects to be working with DOT on developing the MOU, related regulations, and educational materials.

The Regulations

USDA is charged with developing and implementing regulations to support the AWA. These regulations, which appear in Title 9, Code of Federal Regulations (CFR), Chapter 1, Subchapter A, Parts 1–3, require the licensing of animal dealers, exhibitors, and operators of animal auction sales where animals regulated under the AWA are sold. (Birds and laboratory rats and mice are not currently included in the regulations.)



Licenses are valid unless the licensee terminates the license voluntarily or fails to renew it or an administrative law judge suspends or revokes the license in an enforcement proceeding. Licensing fees for dealers and exhibitors are determined by a graduated schedule listed in the regulations [9 CFR 2.6(5)(c)]. Dealers pay between $30 and $750, and exhibitors pay between $30 and $300 per year. These fees are deposited as miscellaneous receipts in the U.S. Treasury.

The regulations also require all carriers, intermediate handlers, and exhibitors not subject to licensing and all non-Federal research facilities using animals to register with the Secretary of Agriculture. There is no charge to register. Table 1 in the appendix provides a list of the number of licensees and registrants for each State, Guam, Puerto Rico, and the U.S. Virgin Islands.

All licensees and registrants must provide their animals with care that meets or exceeds USDA's standards for veterinary care and animal husbandry. These standards include requirements for handling, housing, feeding, sanitation, ventilation, shelter from extreme weather, veterinary care, and separation of species when necessary.
Over the years, USDA has made substantive changes to the AWA regulations. In the late 1980's, USDA amended the requirements pertaining to the use of animals in research. In response to the Improved Standards for Laboratory Animals Act, these amendments established standards for the exercise of dogs and psychological well-being of nonhuman primates. The amendments also set standards to minimize the pain and distress of animals; ensure the proper use of anesthetics, analgesics, and tranquilizers; and require researchers to consider alternatives to painful procedures.

To ensure that these standards are met, the amendments require each research facility to establish an Institutional Animal Care and Use Committee to approve and monitor all research conducted at the institution. USDA published the final regulations for Parts 1 and 2 of Title 9, CFR, Chapter 1, Subchapter A, on August 31, 1989; those for Part 3 were published on February 15, 1991.

USDA published revised standards for guinea pigs, hamsters, and rabbits in final form in the *Federal Register* on July 15, 1990. These standards increased the minimum space requirements for cages and provided additional requirements to protect animals being transported via common carrier.

In 1993, USDA established holding periods for animals in pounds and shelters and certification requirements to ensure that animals have been held for the duration of these periods. The regulations were published as a final rule on July 22, 1993, and became effective August 23, 1993.

In 1997, USDA published a final rule that removed the provisions allowing the permanent tethering of dogs as a means of primary enclosure. The temporary tethering of dogs for health or other reasons is permitted if licensees obtain approval from their AC inspector or regional office. The final rule on this matter went into effect September 12, 1997.

In FY 1998, USDA published new standards pertaining to wire flooring for dogs and cats and revised the AWA temperature requirements, which included clarification of climatic conditions for housing facilities, conveyances used for transportation, and holding areas at airport terminal facilities.

In February 2000, USDA adopted two guides that facilities can use to clarify accepted standards of care for agricultural animals used in nonagricultural research or exhibition. USDA began regulating horses used for biomedical or other nonagricultural research and other farm animals used for biomedical or other nonagricultural research or for nonagricultural exhibition in June 1990. Previously, the standards in Title 9, CFR, Chapter 1, Subchapter A, Part 3, Subpart F, applied. In 1999, USDA requested and received comments on adopting in the regulations two existing guides on standards as they apply to the handling, care, treatment, and transportation of these animals. The guides are the "Guide for the Care and Use of Agricultural Research and Teaching," published by the Federation of American Societies of Food and Science, and the "Guide for the Care and Use of Laboratory Animals," published by the Institute of Laboratory Animal Research. More information on the guides can be found in AC Policy 29, posted on the web at www.aphis.usda.gov/ac/policy/policy29.pdf

In July 1999, USDA published its final decision to not change the definition of "retail pet store" but did decide to license wholesale dealers of hunting, security, and breeding dogs, based on a petition and several thousand comments received during the rulemaking process.

During FY 2000, USDA developed and published several more rules, policies, and other tools to provide more consistent interpretation of the requirements through clarifications and details:

- In October 1999, AC published its final rule on perimeter fencing requirements for animals covered under the AWA, with emphasis on wild and exotic animals. In general, the rule requires a perimeter fence at least 6 feet high for most animals and 8 feet high for dangerous animals, such as elephants, bears, and large cats. All requirements are designed to better contain the animals and to keep out unwanted animals and the uninvited public. For more details, see the section on regulatory initiatives.

- In February 1999, USDA published for comment a proposed rule based on the consensus language regarding marine mammal regulations (subpart E). This language was derived from the negotiated rulemaking committee of stakeholders established under the Federal Advisory Committee Act. USDA reviewed the comments during FY 2000 and expects to publish a final rule in FY 2001. Negotiations regarding these regulations were held in 1995 and 1996 to identify major stakeholders to participate in the committee.

- On July 10, 2000, AC requested comments on possible changes to the pain and distress categorization system and the creation of a definition for "distress" in the AWA regulations. Comments were accepted for 4 months and will be reviewed during FY 2001.

- In FY 2000, AC published a revised draft of the policy regarding training and handling of potentially dangerous wild and exotic animals and accepted comments for 2 months. More than 250 comments were received and are being reviewed.

HOW USDA ADMINISTERS THE LAW

Animal Care

Within USDA, the APHIS AC program is responsible for administering the AWA. AC's mission is to provide leadership in establishing acceptable standards of care and treatment and to monitor and achieve compliance through educational and cooperative efforts.

The AC program is headquartered in Riverdale, MD, and has regional offices in Raleigh, NC, Fort Worth, TX, and Sacramento, CA. These offices are charged with administering the AWA in each of their respective areas.

In October 1999, the Eastern Region moved to the Centennial Campus of North Carolina State University in Raleigh, NC. This move was in conjunction with APHIS' consolidation of regional offices into hubs in Raleigh, and Fort Collins, CO. In FY 2001, AC's Western and Central Regions will begin consolidation into one region with the new Western Region office in Fort Collins. The current offices in Fort Worth and Sacramento will remain open as satellite offices until the physical office consolidation can be completed.

The map on this page shows AC's regional structure current to the end of this reporting period (September 30, 2000). The box provides the addresses, phone numbers, and fax numbers for all AC offices, as well as AC's homepage on the World Wide Web and e-mail address for incoming correspondence.

USDA–APHIS–ANIMAL CARE

Headquarters Office

4700 River Road, Unit 84
Riverdale, MD 20737–1234
Phone: (301) 734–7833
Fax: (301) 734–4978

Eastern Region

920 Main Campus Drive, Suite 200
Raleigh, NC 27606
Phone: (919) 716–5532
Fax: (919) 716–5696

Western Region—Fort Collins

1629 Blue Spruce
Suite 204
Fort Collins, CO 80524
Phone: (970) 494–2542
Fax: (970) 494–2576

Western Region—Sacramento

9580 Micron Ave., Suite J
Sacramento, CA 95827
Phone: (916) 857–6205
Fax: (916) 857–6212

Western Region—Fort Worth

P.O. Box 915004 (letters)
501 Felix Street, Building 11 (packages)
Fort Worth, TX 76115–9104
Phone: (817) 885–6923
Fax: (817) 885–6917

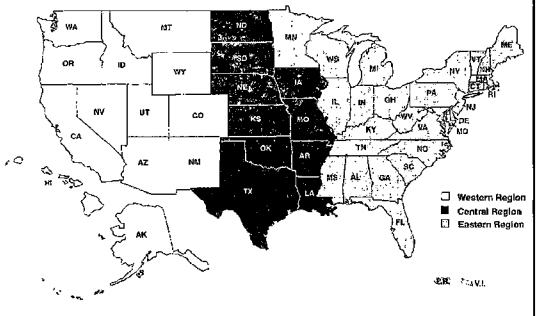
World Wide Web Homepage

www.aphis.usda.gov/ac

E-mail Address

ace@aphis.usda.gov

ANIMAL CARE



Each regional AC office employs a cadre of field veterinary medical officers and animal care inspectors. The number of field inspector positions at the end of FY 2000 was 75. These employees are highly qualified and have an excellent professional support system and communication network. Many also have specialized interest and expertise in such areas as the care of laboratory animals, zoo animals, or marine mammals.

In enforcing the AWA, APHIS inspectors work closely with other Federal agencies and frequently interact with regulated professional groups, industry organizations, humane groups, the scientific community, and other concerned associations or individuals. In FY 2000, AC personnel attended about 318 industry training sessions and meetings and gave presentations at 127 of them.

The biennial National Work Conference provided practical and diverse training and educational seminars to more than 80 AC personnel April 18–21, 2000, in Oklahoma City. Attendees included field inspectors, supervisors, regional directors, headquarters staff officers, and the deputy administrator.

The program was organized into three areas: nonhuman primates, dangerous animals, and miscellaneous topics (including the basic inspection process). Individual seminars covered thermoregulation in elephants, exhibit design, regulatory and policy updates, transportation issues, carnivores, and violence in the workplace.

AC Appropriations for FY 2000

In FY 2000, the AC program received appropriations totaling about $10 million for activities related to animal welfare. The next tabulation shows APHIS' animal-welfare-related appropriations for FY 1995–00 in unadjusted dollars.

Investigative and Enforcement Services

Complementing AC's efforts is APHIS' Investigative and Enforcement Services (IES) program. IES supports all APHIS programs in the goal of enhancing compliance with agency regulations. Toward this end, IES utilizes comprehensive investigations and sound enforcement actions. IES also works closely with USDA's Office of the General Counsel, other Federal agencies, State and local governments, and industry groups. IES is headquartered in Riverdale and has regional offices in Raleigh and Fort Worth. IES has also begun the process of moving its Western Region office to Fort Collins, where all APHIS western regional offices will be located, beginning in June 2002.

Animal Welfare Information Center

The National Agricultural Library's (NAL) Animal Welfare Information Center (AWIC) also supports AC's efforts. AWIC was established in December 1986 to provide valuable information pertaining to possible duplication of research involving animals, methods of humane animal care and use, alternatives to the use of live animals in research, and methods to minimize pain and distress to animals. AWIC also provides materials for the training of personnel and other products and services that support the administration and regulatory requirements of the AWA.

APPROPRIATIONS FOR ANIMAL WELFARE, FY 1995–2000

FY	Annual appropriation for enforcement of the Animal Welfare Act
2000	$10,167,000
1999	$ 9,175,000
1998	$ 9,175,000
1997	$ 9,182,000
1996	$ 9,185,000
1995	$ 9,262,000

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INSPECTION HIGHLIGHTS

AC personnel perform two major types of inspections: prelicensing/preregistration inspections and unannounced compliance inspections.

To determine whether prospective licensees are in compliance with the AWA, AC personnel perform prelicensing inspections of dealers and exhibitors prior to granting them licenses. Preregistration inspections are not required under the Act, but many facilities request AC's consultation. Whenever possible, the program honors these requests to promote the highest level of compliance.

Unannounced compliance inspections are performed at the facilities of all licensees and registrants to ascertain whether they are operating within the regulations. The AWA requires that APHIS perform at least one compliance inspection per year at each research facility that uses animals in experimentation. For nonresearch facilities, APHIS uses a risk-based system to determine inspection frequency.

Risk-Based Inspection System

The risk-based inspection system was put into place in February 1998 to support AC's focused inspection strategy, allowing more frequent and indepth inspections at problem facilities and fewer at those consistently in compliance. The system uses several objective criteria, including past compliance history, to determine the inspection frequency at each licensed and registered facility. Facilities meeting the criteria for low-frequency intervals are subject to inspection once every 2–3 years. Facilities determined to require high-frequency inspections are subject to inspection at least every 6 months. Those in the middle are inspected about once per year. Registered research facilities are inspected at least once per year, as required by the AWA. With this system, AC has been able to provide more in depth inspections and improve the agency's interactions with licensees and registrants—an approach that APHIS firmly believes makes better use of AC's inspection resources.

Class B Dealer Tracebacks Continue Success

Since FY 1993, APHIS has conducted an intensive traceback effort on dogs sold by random-source, class B animal dealers. These dealers, who supply animals to the research community, typically obtain them from pounds and shelters, pet owners who wish to relinquish ownership, and other legitimate sources. However, there has always been concern that some of these dealers may be trafficking in stolen animals.

Under the AWA, random-source dealers are required to maintain accurate records of the acquisition and disposition of their animals. APHIS' traceback effort has focused on making sure these records are accurate and complete. To optimize this effort, APHIS has conducted quarterly inspections of all random-source dealers since the traceback project went into effect in 1993. AC has also taken stringent enforcement action when violations are found. Since 1993, this includes issuing nearly $525,000 in fines, suspending 6 licenses and revoking 12 more. At the end of FY 2000, six cases were under investigation.

The fruits of this effort have been tremendous. From FY 1993 through 2000, the percentage of animals traced back to their original source has increased from a little more than 40 percent to nearly 95 percent. (This figure does not include cases still being investigated at the end of FY 2000.) At the same time, the number of random-source dealers has decreased from more than 100 to fewer than 25. Moreover, the number of class B dealers under investigation has decreased from a high of 260 in 1992 to only 7 in FY 2000.

Efforts have also been stepped up by regularly conducting tracebacks on dogs and cats originating with owners, not just random sources such as shelters.
In May 2000, AC instituted several new practices to help assure researchers that the dogs and cats they purchase from licensed animal dealers originate from proper sources. First, at least two to three tracebacks are now conducted during every inspection, whether the animals were obtained from random sources or original owners or breeders. Second, the traceback process now includes asking the original source of the animal what they were told about the animal's future disposition (e.g., were they told the animal could be used in biomedical research).

For FY 2000, 85.1 percent of all tracebacks were successful in reaching the original owners. This number is lower than previous years because one dealer closed his business and did not have records available. That closure terminated 25 tracebacks before completion. Among tracebacks involving other dealers in FY 2000, 95.6 percent were successful. The number of Class B dealers selling dogs and cats to research was 23 at the end of FY 2000.

Complaints and Searches

In addition to conducting routine inspections of licensed and registered facilities, AC personnel also follow up on public complaints to determine whether regulated animals are receiving proper care and/or the animal owner(s) should be licensed or registered. APHIS regards these activities as critical to successful enforcement of the AWA.

AC personnel also conduct periodic searches to determine whether there are regulated facilities operating without a license or registration. In FY 2000, AC conducted 165 compliance inspections at unlicensed and unregistered facilities.

After the Inspection

If AC inspectors discover conditions and records that are not in compliance with the regulations, AC typically establishes a deadline for correcting these items and provides it in the inspection report. In conjunction with IES, AC immediately investigates any situations that may have caused unnecessary animal suffering or death. Inspectors are required to reinspect any facilities where areas of noncompliance were found that have, or are likely to have, an impact on the well-being of the animals. If the conditions remain uncorrected, AC documents them for possible legal action. In cases of unrelieved suffering, AC may confiscate the animals or arrange for their placement elsewhere. With the assistance of IES, AC acted in four such situations in FY 2000, following the reinforcement of this authority.

New Database Up and Running

Beginning in FY 2000, AC converted to its new Licensing and Registration Information System (LARIS) and discontinued the old system January 1, 2000. This new database provides a single storage center for licensing, registration and inspection data on regulated parties throughout the United States. At the end of FY 2000, AC was testing the application whereby field inspectors have access to the database and will enter inspection data directly from remote locations using their laptop computers.

A prototype Web-based application has been developed and is being further refined to allow public access to portions of the database through the Internet. Once this is finalized, inspection reports for each facility will be available. The new system allows for an array of data to be collected, including a complete compliance history, most common areas of noncompliance, and number of animals involved in those situations. Our risk-based inspection system has been incorporated into the database, and inspectors now get reports on their facilities based on risk-based criteria. Additionally, at any given time, management can track the status of compliance and prelicensing inspections.

The next tabulation details the number of inspections of licensees and registrants conducted during FY 2000. Subsequent tabulations chronicle the number of different types of inspections conducted from FY 1998 through FY 2000.

FY 2000 AWA INSPECTIONS

	Total number of facilities (and sites)[1]	Number of inspections by category
Inspections for Compliance[2]		
Dealers[3]	4,612 (4,618)	4,306
Research facilities	1,265 (1,545)	1,557
Exhibitors	2,508 (2,822)	2,463
Intransit handlers	302 (422)	105
Intransit carriers[4]	86 (800)	296
Total	**8,773 (10,207)**	**8,727**

	Total number of facilities (and sites)[1]	Number of inspections by category
Other Types of Inspections		
Prelicensing and preregistration inspections	NA	1,651
Compliance inspections of unlicensed, unregistered facilities	NA	165
Attempted inspections of dealers and exhibitors	NA	547
Total		**2,363**
Total of Inspections for Compliance and Other Inspections		**11,090**

[1] See the glossary of terms for the definitions of "facility" and "site."

[2] Inspections for compliance are unannounced inspections and reinspections. These do not include prelicensing or preregistration inspections, auction market observations, or attempted inspections. (Prelicensing/preregistration inspections are announced. Observations of licensed and unlicensed auction markets are made to locate unlicensed dealers. Attempted inspections could not be performed for certain reasons—usually because there was no one available at the facility when the inspector arrived unannounced.)

[3] Dealer inspections for FY 2000 include auction market inspections, which were previously counted under a separate category.

[4] Intransit Carriers is a category representing commercial airlines. Each airline may have two or more animal transportation sites at each airport it serves. Due to frequent changes in airline activities and other factors, the number of sites may vary.

COMPLIANCE INSPECTIONS, FY 1998–2000

FY	Total facilities (sites)	Total compliance inspections
2000	8,773 (10,207)	8,727
1999	7,958 (9,897)	9,096
1998	7,773 (10,393)	10,709

TOTAL INSPECTIONS CONDUCTED PER YEAR, FY 1996–2000

FY	Total inspections conducted
2000	11,090
1999	11,263
1998	13,136
1997	15,898
1996	15,989

PRELICENSING/PREREGISTRATION INSPECTIONS, FY 1998–2000

FY	Total	Dealers	Exhibitors	Research	Not Yet Classified
2000	1,651	938	369	7	337
1999	1,418	991	427		
1998	1,579	1,074	505		

INSPECTIONS BY BUSINESS TYPE

Animal Dealers

Dealers are individuals who sell regulated animals for research or teaching, wild or exotic animals for exhibition or as pets, or domestic pet animals in wholesale channels. Dealers can hold a USDA license in one of two classes.

Class A licensees are those individuals who deal only in animals that they breed and raise. Class B licensees may breed and raise some of the animals they sell but typically buy and resell animals from other sources. Class B dealers include brokers, operators of auction sales, and "bunchers."

The numbers of Class A and B licensed dealers and sites for FY 1998 through 2000 are listed in the next tabulation. The number of inspections conducted during the same period is shown on chart 1. It should be noted that, of the 1,005 Class B dealers, APHIS estimates that fewer than 25 supply dogs and cats to research. In FY 1993, there were more than 100 such dealers.

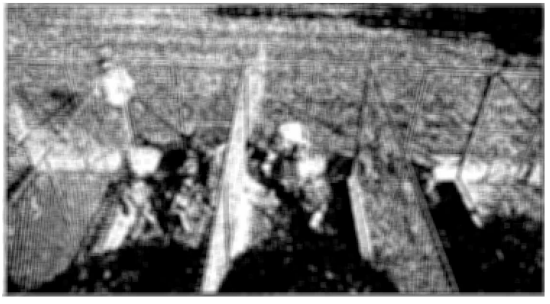
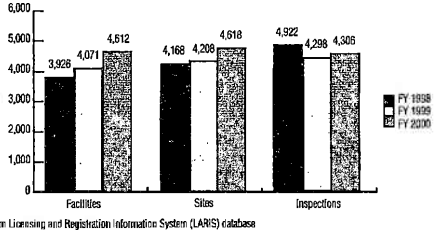


Chart 1

A AND B DEALERS, FY 1998–2000



Numbers from Licensing and Registration Information System (LARIS) database

LICENSED DEALERS, FY 1998–2000

FY	Total dealers (sites)	Class A dealers (sites)	Class B dealers (sites)
2000	4,612 (4,618)	3,433 (3,391)	1,179 (1,227)
1999	4,071 (4,208)	2,986 (3,039)	1,085 (1,169)
1998	3,926 (4,168)	2,892 (3,024)	1,034 (1,144)

Animal Exhibitors

Animal exhibitors may either be licensed or registered under the AWA. Licensed exhibitors are those entities that either obtain or dispose of animals in commerce and exhibit them for compensation. Registered exhibitors do not buy, sell, or transport animals and do not accept compensation.

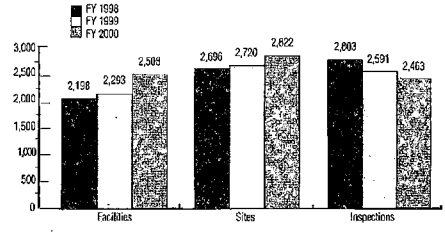
Licensed exhibitors typically operate animal acts, carnivals, circuses, public zoos, "roadside zoos," and marine mammal displays. Many of the animals exhibited are species not native to the United States (e.g., nonhuman primates and exotic cats), but exhibited species may also include domestic farm animals and wild animals native to this country.

With increasing attention focused on the care and handling of elephants in recent years, AC has made it a priority to provide special training to its personnel on these issues. The course provided instruction on elephant care and handling to about 60 inspectors and other AC personnel, bringing the total number of employees trained to about 75. In FY 2001, AC will provide materials from prior courses and an introductory elephant session to new field employees as part of a basic training course for new inspectors.

Listed next are the numbers of exhibitors and sites regulated from FY 1998 through 2000. Chart 2 shows the number of inspections for the same period.

Chart 2

EXHIBITORS, FY 1998–2000



Numbers from Licensing and Registration Information System (LARIS) database

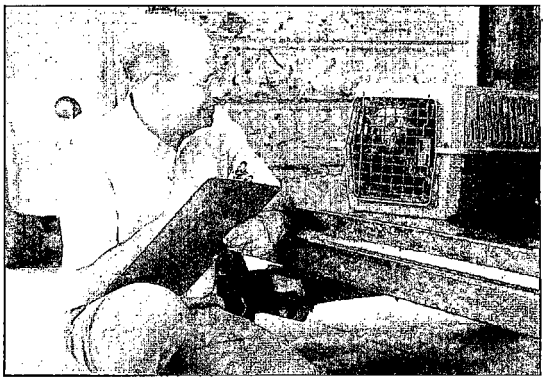
REGULATED EXHIBITORS, FY 1998–2000

FY	Exhibitors: Total exhibitors (sites)	Exhibitors: Licensed (sites)	Exhibitors: Registered (sites)
2000	2,508 (2,822)	2,489 (2,803)	19 (19)
1999	2,293 (2,720)	2,276 (2,701)	17 (19)
1998	2,198 (2,696)	2,178 (2,673)	20 (23)

Carriers and Intermediate Handlers

Carriers registered with USDA include airlines, motor freight lines, railroads, and other shipping businesses. Registered intermediate handlers are ground freight handlers. Intermediate handlers usually (1) provide services for animals between consignor and carrier and from carrier to consignee, and (2) care for animals delayed in transit.

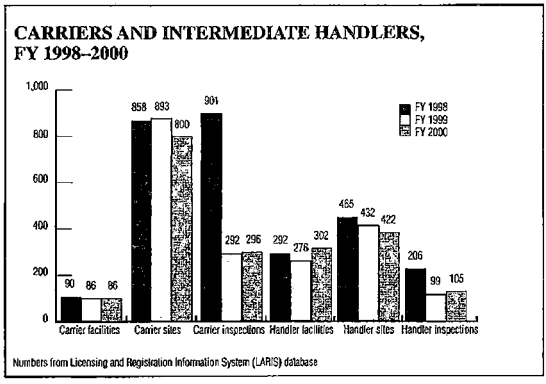
The numbers of sites and registered carriers and intermediate handlers for FY 1998 through 2000 are listed next. Chart 3 shows the number of carrier and intermediate handler inspections for the same period.



SITES AND REGISTERED CARRIERS AND INTERMEDIATE HANDLERS, FY 1998–2000

FY	Registered carriers (sites)	Intermediate handlers (sites)
2000	86 (800)	302 (422)
1999	86 (893)	276 (432)
1998	90 (858)	292 (465)

Chart 3



Research Facilities

Research facilities that use animals include hospitals, colleges and universities, diagnostic laboratories, and many private firms in the pharmaceutical and biotechnology industries.

All research facilities are required to comply with the AWA's regulations. Even though Federal facilities are not registered or inspected under the AWA, they are responsible for maintaining compliance with the AWA's regulations and standards. The AWA requires that non-Federal research facilities receive at least one inspection per year to determine compliance.

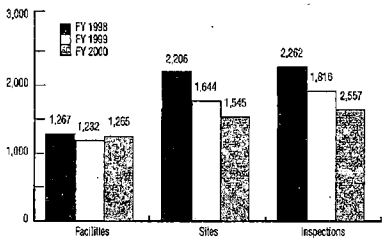
In spring 2000, AC's field and supervisory veterinary medical officers attended a course at the Riverdale, MD, headquarters about issues related to inspecting research facilities. The course was designed to clarify AC policies and help veterinary medical officers better understand the issues faced by these facilities. Topics included Institutional Care and Use Committees, pain and distress issues, and alternative methods of research. This was the first AC-sponsored conference since 1991 dedicated strictly to inspecting programs that use animals in research, testing, and training and the many complex and evolving issues associated with them.

Throughout 2000, AC worked on guidelines for its field personnel to use when conducting AWA inspections of research facilities. This guide, along with the dealer inspection guide, will increase the quality and uniformity of reports, inspection, and enforcement in the AC program. The guide covers such areas as how to document inspection findings and how to conduct exit interviews. AC veterinary medical officers and a research facility consultant reviewed a draft of the research inspection guide and the development team is reviewing their comments. AC expects to distribute the guide in FY 2001.

The next tabulation lists the numbers of research facilities and sites for FY 1998 through 2000. Chart 4 shows the number of inspections of research facilities conducted during this period.

Chart 4

REGISTERED RESEARCH FACILITIES, TOTAL SITES AND INSPECTIONS, FY 1998–2000



Numbers from Licensing and Registration Inspection System (LARIS) database

REGISTERED RESEARCH FACILITIES AND SITES, FY 1998–2000

FY	Total facilities	Total sites
2000	1,265	1,545
1999	1,232	1,644*
1998	1,267	2,206

*Decrease in number of sites is due primarily to new definition of "site" implemented in FY 1999.

Reports From Research Facilities

Each research facility registered under the AWA and each Federal research facility is required to submit an annual report, signed and certified by the Institutional Official, covering the previous fiscal year. The report lists the number and species of animals used in research, testing, and experimentation and indicates whether pain-relieving drugs were administered. If such drugs were not administered for procedures that cause pain or distress, the report must explain why their use would have interfered with the research or experiment.

The report must also assure that professionally acceptable standards, including the appropriate use of pain-relieving drugs, were followed and that each principal investigator considered alternatives to painful or distress-causing procedures.

Moreover, the report must demonstrate that the facility adhered to the AWA regulations or that any exception to such adherence was justified by the principal investigator and approved by the Institutional Animal Care and Use Committee prior to experimentation.

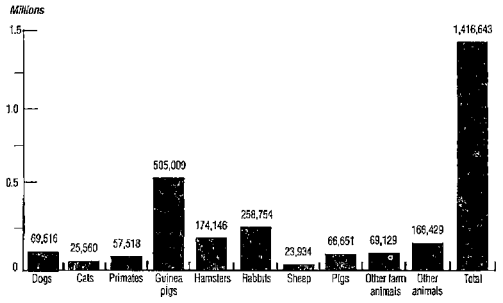
Chart 5 shows the number and species of animals used in research during FY 2000. This number excludes birds and laboratory rats and mice, as well as farm animals used exclusively in agricultural research. Chart 6 shows the number of animals used in research that involved no pain or distress, or that involved pain or distress alleviated with drugs, or that involved pain or distress without relief because use of pain-relieving drugs would interfere with the results of the research or testing.

Tables 1 through 5 of the appendix contain further details. Table 6 reports the total of animals used by research since this report was first published in 1973.

Data from 22 research facilities are not included in this report because they either did not submit a report or submitted it too late for tabulation. Of these facilities, 5 were Federal facilities and 17 were non-Federal. It is a violation of the AWA for a facility, whether active or inactive, not to submit a timely report. AC initiated the appropriate corrective actions.

Chart 5

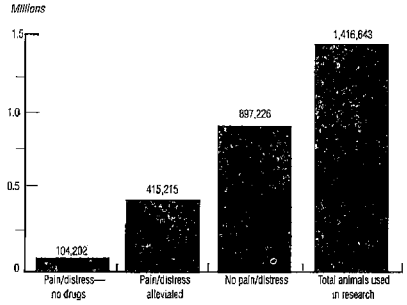
ANIMALS USED IN RESEARCH, EXPERIMENTS, TESTING, AND TEACHING, FY 2000



Numbers from Licensing and Registration Information System (LARIS) database

Chart 6

ANIMALS EXPERIENCING PAIN/DISTRESS, PAIN/ DISTRESS RELIEF, OR NO PAIN/DISTRESS DURING EXPERIMENTS, FY 2000



Numbers from Licensing and Registration Information System (LARIS) database

ENFORCEMENT HIGHLIGHTS

APHIS' IES personnel investigate alleged violations when corrective measures have not been taken by licensees or registrants to come into compliance with the AWA.

Investigations disclosing violations are acted on in a variety of ways depending on their severity. Many infractions can be settled with an official notice of warning or a stipulation offer. (Stipulations allow alleged violators to pay a fine, have their license suspended, or both, in lieu of formal administrative proceedings.)

Cases warranting formal prosecution undergo Department-level review for legal sufficiency prior to issuance of a formal administrative complaint. Formal cases may be resolved by license suspensions, revocations, cease-and-desist orders, civil penalties, or combinations of these penalties through administrative procedures.

Stronger Cases Through Digital Photography

In FY 2000, all AC inspectors were equipped with digital and traditional cameras as part of the effort to build stronger cases. Video cameras are also used for some cases. Photographs are routinely taken if the inspectors encounter serious or continuing noncompliant items. Digital photos can be transmitted to the regional office electronically for quick consultation. These photos can then be transferred onto a computer and shared with the facility. Like other photographs, digital photography and video footage can be submitted with an investigation report and could become part of an investigation.

APHIS' Enforcement Strategy Yields Results

In FY 2000, AC and IES continued to employ a two-pronged enforcement strategy. For licensees and registrants who show an interest in improving the conditions for their animals, AC and IES actively pursue innovative penalties that allow the individuals to invest part or all of their monetary sanctions in facility improvements, employee training, research on animal health and welfare issues, or other initiatives to improve animal well-being. In doing so, USDA enables the individuals to immediately improve the conditions for their animals while sending a clear message that future violations will not be tolerated. Prior to 1997, most such fines were either suspended or paid directly to the U.S. Treasury, but neither of those results directly improved the care provided to the affected animals.

On the other hand, for licensees and registrants who do not improve the conditions for their animals, AC and IES pursue enforcement action. Such action typically includes significant monetary penalties and/or license suspensions or revocations. It may also include confiscation of their animals and relocation of the animals to another facility if they are found to be suffering.

Maximum Fines Raised Due to Inflation

In January 2000, the fines for AC and other APHIS programs were adjusted for inflation according to the terms of the Federal Civil Penalties Act of 1990 (P.L. 101–410). This action raised the maximum civil penalty for a violation of the AWA from $2,500 to $2,750 per count. The Act requires the Secretary of Agriculture to take inflation into account once every 4 years when adjusting civil penalties.

High-Priority Designation

An important component of AC and IES' enforcement strategy is the high-priority designation for certain cases. Cases are deemed high priority based on the following criteria:

- Severity of animal suffering (death or severe injury),
- Past compliance history of facility,
- Potential public or animal safety or health concerns,
- Abusive or potentially violent nature of licensee or registrant,
- Type of facility and species of animal involved, and
- Severity of the issue resulting in extensive public interest.

When a case is given this designation, AC, IES, and USDA's Office of the General Counsel put special emphasis on the investigation and enforcement of a case to expedite its resolution. This measure has been successful in shortening the timeframes of significant cases and providing quicker relief for animals protected under the AWA.

NUMBERS OF ENFORCEMENT ACTIONS CONDUCTED AND RESOLVED, FY 1998–2000

Cases Investigated and Reviewed

FY	Cases	Submitted to IES staff	Submitted for formal prosecution
2000	329	184	101
1999	313	188	104
1998	456	416	60

Cases Resolved

FY	Official warnings	Stipulations offered/settled	Administrative law judges' decisions
2000	125	[1]75/100	70
1999	143	89/79	28
1998	219	100/66	82

Sanctions Imposed

FY	Fines imposed by administrative law judges	Fines imposed by stipulation	Revocations, suspensions, and disqualifications
2000	$343,301	$110,848	23
1999	$585,162	$ 82,152	16
1998	$378,900	$ 89,763	34

[1] Some of the 100 stipulations settled in FY 2000 were originally offered in FY 1999.

The Results Are in the Numbers

Through this multifaceted enforcement strategy, the AC and IES staffs and the Office of the General Counsel have been able to virtually eliminate the backlog of AWA cases awaiting resolution through the formal administrative process. The results have been shorter timeframes for resolving cases and the ability to expedite high-priority cases. In addition, APHIS imposed penalties totaling more than $454,000.

The tabulation above provides detailed information on the number of enforcement actions conducted and resolved during FY 2000. In the tabulation, it should be noted that "Cases Submitted," "Cases Resolved," and "Sanctions Imposed" are those actions that actually occurred during the fiscal year even though many of the settled cases were submitted in previous years. This numerical disparity occurs because it takes a case considerable time to work its way through the legal system and appeals process.

PUBLIC OUTREACH

In FY 2000, AC carried out numerous outreach activities, including moving forward with its multiyear public affairs campaign to educate and inform all program stakeholders about the AWA and AC's role in enforcing the law. To support this effort, the program is upgrading all of its existing public affairs materials and creating new products where needed.

Safe Pet Travel Video Flies the Airwaves

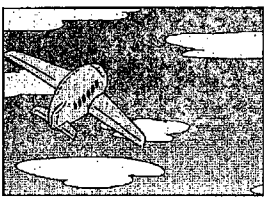
This year, AC completed and distributed an animated television public service announcement (PSA) on safe pet travel on airlines. It is estimated that by November 26, 2000, the 30-second spot had aired in 43 States and garnered more than $1.2 million worth of free air time. Stations in Bermuda also televised the PSA. Web users can watch the PSA on the APHIS Web site at www.aphis.usda.gov/lpa/video/index.html. The video will continue to be shown in FY 2001, and other Web sites are expected link to the video and other information.

AC employees continued to distribute the "Traveling With Your Pet" brochure at travel shows and referred people to the Web posting (www.aphis.usda.gov/oa/pubs/petravel.pdf or .html). The APHIS travel page (www.aphis.usda.gov/travel/index.html) also provides a link to the brochure and video.

In addition to brochures and kennel stickers with a toll-free information number, AC also distributed factsheets on pet travel. In March 2000, AC issued a Spanish-language version of the "Traveling With Your Pet" factsheet.

Industry Report in Fourth Year of Updating Stakeholders

During FY 2000, AC continued distributing its Animal Care Report to nearly 2,000 mail subscribers, double its distribution in FY 1997. In addition to providing these free mail subscriptions, AC referred many people to the report's posting on the Internet. This report, which provides brief overviews on all key issues affecting AC's administration of the AWA, is sent to program stakeholders to keep them up to date on current program initiatives. Editions of the report were prepared for spring and summer. The Internet posting is on the AC home page (www.aphis.usda.gov/ac).



Automated Telephone Service Assists Travelers

More than 2,600 members of the general public used AC's toll free, 24-hour, automated telephone voice response service (800–545–USDA) during FY 2000. This service provides information on the humane handling of cats and dogs during transport, including the AWA requirements for temperature, shipping documents, food and water, and cage sizes. Designed to be user friendly, the service is recommended for inclusion in training courses for airline cargo handlers, ticket agents, and supervisors.

AC Makes Web Site Accessible to the Visually Impaired

In an effort to make information accessible to more people, the AC Web site was the first in APHIS to move into compliance with a new requirement for government agencies to make their Web sites usable by the visually disabled. Some of the new site functions include features that allow visitors to hear descriptions of pictures on the page or listen to text on the page. The audio is processed through special hardware on the user's system.

Many hours went into the update to comply with Section 508 of the Rehabilitation Act (P.L. 105–200), which was amended in 1998. The amendment requires that Federal agencies' electronic and information technology be accessible to people with disabilities, including employees and members of the public.

AC Holds Public Meeting on Training and Handling

On March 7, 2000, USDA opened its doors for a public meeting to discuss a new AC policy for training and handling potentially dangerous animals and other concerns of the public and regulated parties. About 150 people attended the meeting which included presentations, a question and answer session with the deputy administrator, and breakout sessions on specific topics. The four topics in those sessions were training and handling potentially dangerous animals, zoos, circuses, and one combined session for dealers, research, and transportation. Comments received during the meeting related to training and handling of potentially dangerous animals were considered in policy development equally to those responding in writing to a *Federal Register* notice.

Answering Public Inquiries

APHIS received and responded to thousands of inquiries about animal welfare from individual citizens, concerned groups and Members of Congress in FY 2000. Other Federal agencies and the Office of the President also referred animal welfare concerns to APHIS for response. The next tabulation lists the number of animal welfare written inquiries received by APHIS during FY 1998 through 2000. Totals do not include the hundreds of inquiries received through e-mail.

Dealer Inspection Guide Available on the Web

In April 2000, AC posted on its Web site the comprehensive guide it provided field personnel to use when conducting AWA inspections of animal dealers. AC hopes that doing so will allow interested dealers quick access to information that can help them better comply with regulations. Posting the guide allows interested individuals an easy way to see what AC inspectors are looking for during inspections.

ANIMAL WELFARE CORRESPONDENCE RECEIVED BY APHIS, FY 1998–2000

FY	Correspondence received/dispatched by headquarters	Correspondence received/dispatched by regional offices
2000	3,589	26,667
1999	3,729	24,092
1998	2,495	22,280

Assisting the Media

AC assisted media officials in various ways during the year. Altogether, the program fielded more than 1,300 calls from members of the media and issued 89 press releases. Most of these releases provided information concerning enforcement actions taken against licensees and registrants (such as settlements, fines, suspensions, and confiscations). The other releases addressed matters such as AC's request for comments about possible changes in the pain and distress categorization system for animals used in research.

AC personnel gave numerous local and national television, radio, newspaper, and magazine interviews on various issues relating to the AWA. These included interviews with CNN, NBC's Dateline, *The New York Times*, *USA Today*, and the *Wall Street Journal*. Outreach efforts also included interviews with local media outlets in all 50 States and several foreign countries.

20

E–FOIA Access to AC Data

APHIS is working diligently to develop a new Web-accessible Freedom of Information Act (FOIA) site where inspection reports could be obtained. These reports can also be obtained from the regional offices at the addresses listed earlier in this report.

On October 1, 1999, LARIS, AC's new database, became functional. The LARIS database will maintain inspection reports and other information, such as numbers of violations. Once the E-FOIA site is operational, inspection reports and certain licensee and registrant information will be available by electronic retrieval.

In addition to work on the database and E-FOIA site, AC and APHIS also responded to numerous animal-welfare-related FOIA requests the old-fashioned way. The next tabulation lists the number of FOIA requests received for the past 3 fiscal years.

ANIMAL-WELFARE-RELATED FOIA REQUESTS RECEIVED BY APHIS, FY 1998–2000[1]

FY	FOIA Requests
2000	734
1999	*824
1998	657

[1]These figures include both official FOIA requests processed through APHIS' FOIA office, with assistance from AC at headquarters, and requests for inspection reports processed through AC's regional offices. Before FY 1997, all such requests were processed through the FOIA office at headquarters.

*Figure corrected from FY 1999 annual report.

Liaison With Other Federal Agencies

AC serves on the Interagency Research Animal Committee, whose members come from Federal agencies involved in the care and use of animals in biomedical research. This committee is responsible for interagency coordination of animal care-and-use concerns and for making contributions to policy development. It also acts as a forum for information exchange and regulation development.

AC also maintains close working relationships with other Federal agencies that deal with animals on regulation and enforcement of the AWA. APHIS cooperated on numerous issues with the U.S. Department of Health and Human Services' National Institutes of Health, CDC, and Food and Drug Administration; the Department of Defense; the Department of Veterans Affairs; the Marine Mammal Commission the U.S. Department of Commerce's National Marine Fisheries Service; the U.S. Department of the Interior's FWS; and the Environmental Protection Agency.

In July 2000, a veterinary medical officer from the U.S. Army Veterinary Corps completed a yearlong detail to AC to work on research-related policies. In addition, he was a key staff officer and was instrumental in the success of the research training AC held for its employees in the spring.

Cooperating and Communicating With Stakeholders

In December 1999, AC, the New Jersey Association for Biomedical Research, and the Pennsylvania Society for Biomedical Research jointly sponsored an education symposium in Plainsboro, NJ, for about 140 professionals from the three organizations. The main topics—animal care and use in research, regulation, and oversight—were addressed in panel discussions and smaller workgroups. AC and representatives from the National Institutes of Health, the Food and Drug Administration, the Institute for Laboratory Research, and the Association for Assessment and Accreditation of Laboratory Animal Care International provided information about their roles in regulation and oversight.

In FY 2000, APHIS and the research community cosponsored a research preceptorship program that sent three AC veterinarians to 4 intensive weeks of training at various research facilities and teaching institutions, plus 1 week at national meeting of the American Association for Laboratory Animal Science. This very successful program, which previously had been conducted at research facilities in the Northeast, moved to the Chicago area in FY 1999.

AC personnel also attended and participated in national meetings held by various organizations, including the American Zoo and Aquarium Association, the American Association of Laboratory Animal Science, the Applied Research Ethics National Association, the College of Laboratory Animal Medicine Forum, the North American Veterinary Conference, Public Responsibility in Medicine and Research, the Scientists Center for Animal Welfare, and the Society of Marine Mammalogy.

AC personnel attended about 318 industry meetings and training sessions in FY 2000 and presented papers or informal talks at 127 of them. APHIS employees also staffed an exhibit booth at several of these meetings to answer questions and provide information on AC's enforcement of the AWA. In addition,

AC's deputy administrator represented the United States as an observer of the Council of Europe's meetings for developing minimum standards of care for laboratory animals used by member countries.

In addition, AC personnel actively interacted with organizations such as the American Zoo and Aquarium Association, the American Veterinary Medical Association, the National Association for Biomedical Research, Americans for Medical Progress, the American Association of Zoo Veterinarians, the Alliance for Marine Mammal Parks and Aquariums, the Association for the Assessment and Accreditation of Laboratory Animal Care International, the International Association of Aquatic Animal Medicine, the Association of Aquatic Life Support System Operators, and the Scientists Center for Animal Welfare.

Additional cooperators include The Humane Society of the United States, the Animal Welfare Institute, the American Humane Association, the Animal Protection Institute, the Association of American Veterinary Medical Colleges, and the Air Transport Association. AC is also represented in the United States Animal Health Association and has members on both its animal welfare and captive wildlife committees.

AWIC Focuses on Educational Efforts

In FY 2000, staff from the Animal Welfare Information Center (AWIC) responded to about 18,000 requests for information and publications, including copies of the AWIC Newsletter, and distributed more than 40,000 published documents to requesters. The AWIC Newsletter was published twice in FY 2000 and sent to its 7,500 subscribers in the United States and 38 foreign countries.

AWIC's Web site (www.nal.usda.gov/awic) underwent many changes during the year. The site and its subject areas were restructured, and many documents and new links were added. Press releases from USDA's Agricultural Research Service and APHIS regarding research relevant to animals were regularly updated. Other news links were also posted when the information was relevant and from reliable sources. The average number of hits per month grew from about 30,000 in October 1999 to more than 58,000 in September 2000. Hits for the year totaled 559,000 with about 27 million kilobytes transferred.

AWIC trained 645 individuals in its workshop entitled "Meeting the Information Requirements of the Animal Welfare Act," which is held at the National Agricultural Library in Beltsville, MD, three times a year and at other locations throughout the country upon request. In FY 2000, two military facilities, four universities, two pharmaceutical companies, and one Federal regulatory agency requested the training.
The electronic slides used for the workshop have been made available on the AWIC Web site. Other institutions are using them in their training materials. In addition, AWIC continues to develop materials for an online, interactive tutorial that will provide access to the workshop for more of the regulated community.

AWIC staff exhibited and disseminated materials at eight conferences and meetings during FY 2000. Roughly 5,300 pieces of information were distributed to around 3,600 attendees.

AWIC continues to distribute original information products directed to the regulated community. The Center produced seven new documents and either printed or made them available through the AWIC Web site. The following publications are available in both print and electronic form:

- Allen, T; Kreger, M. (September 2000) A revised edition of **Information Resources for Animal Care and Use Committees 1985–1999.** AWIC Resource Series Number 7.
- Kreger, M. (May 2000) **Information Resources for the Care and Use of Invertebrates.** AWIC Resource Series No. 8.
- Larson, J.; Jensen, D. (March 2000) **Audio-Visuals Relating to Animal Care, Use, and Welfare.** AWIC Series No. 2000-01.
- Smith, C. (September 2000) **Animal Welfare and Ethics for Youth and College Agricultural Educators.** AWIC Resource Series No. 6–Revised and Enlarged.

Two new documents are available in electronic format only:

- Swindle, M.; Smith, C. (February 2000) **Information Resources for Swine in Biomedical Research 1990–2000.**
- Krause, W. (April 2000) **Information Resources on the North American *Opossum (Didelphis virginiana)*: A Bibliography on Its Natural History and Use and an Animal Model in Biomedical Research.** AWIC Resource Series No. 9.

REGULATORY AND POLICY INITIATIVES

Groups Continue To Push for Coverage of Rats, Mice, and Birds

In March 1999, the Alternative Research and Development Foundation, a group affiliated with the American Antivivisection Society—with in Vitro International and Kristine Gausz, a college student—filed a lawsuit against USDA seeking an order requiring USDA to revise its regulations issued under the AWA to delete the exclusion of rats, mice, and birds from the regulatory definition of "animal." During FY 2000, the U.S. District Court for the District of Columbia denied USDA's motion to dismiss the lawsuit. USDA and the plaintiffs reached a settlement at the end of September 2000.

In the settlement, USDA agreed to initiate and complete the rulemaking process, though no outcome to the process was predetermined. In early October, the court ruled the settlement valid, but in subsequent appropriation legislation, Congress prohibited USDA from taking any rulemaking action during FY 2001.

The issue started in spring 1998, when the Alternative Research and Development Foundation filed a petition that would have USDA exercise its authority under the AWA to regulate rats, mice, and birds.

In January 1999, AC published the petition in the Federal Register to solicit public input on whether rats, mice, and birds should be regulated and, if so, how the increased workload should be prioritized. In March 1999, the comment period was extended through May 28, 1999. By the end of FY 1999, AC had received more than 34,000 comments and was still reviewing them throughout FY 2000. AC has also commissioned a study by the Federal research division of the Library of Congress to determine the potential number of additional facilities that might need to be regulated.

Pain Categorization Change and Definition for "Distress" Considered

On July 10, 2000, AC requested comments on possible changes to the pain categorization system and creation of a definition of "distress" in the AWA regulations. Comments were accepted through November 7, 2000, and will be reviewed in FY 2001. The July 10 *Federal Register* notice is available on the Internet at www.aphis.usda.gov/ppd/rad/webrepor.html under docket 00–005–1.

More Options for Alternatives to Painful Procedures

On June 21, 2000, AC updated its Policy 12, which provides guidance to regulated entities on the requirement that they submit a written narrative of the alternatives considered when painful and/or distressful procedures must be employed in laboratory experiments using animals. The update expands the options beyond the standard database search to include symposiums, conferences, and consultations. The full policy is available on the Internet at www.aphis.usda.gov/ac/policy/policy12.

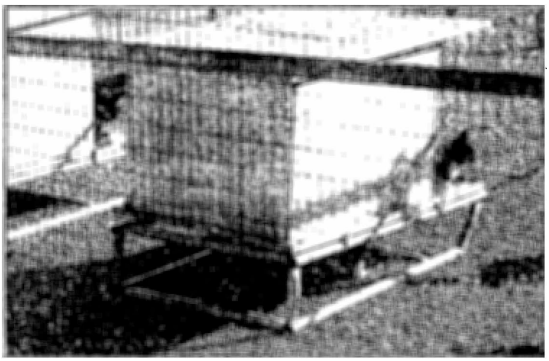
Comments Sought on Proposed Licensing Changes

On August 4, AC requested comments on several proposed changes to and clarifications of AWA regulations, including licensing requirements, procedures, and exemptions.

AC expects the changes will not only clarify certain licensing regulations but also help AC to better enforce the AWA. One change would allow AC to use an applicant's violation of other Federal, State, or local laws or regulations pertaining to animal cruelty and handling to keep the party from getting a USDA license. Other proposed changes include

- Expanding requirements of licensees who maintain potentially dangerous animals,
- Changing APHIS' method for notification of license expiration,
- Clarifying requirements regarding the number of female breeding dogs and/or cats that may be maintained on a single premises without a license, and
- Clarifying requirements regarding the number of dogs and/or cats that can be sold directly to research from a single premises without a license.

The proposed rule is available in the August 4, 2000, *Federal Register* or on the Internet at www.aphis.usda.gov/ppd/rad/webrepor.html under docket 97–121–1.



Comments Reviewed on Environmental Enrichment Policy

In FY 2000, AC received and reviewed more than 230 comments on the policy regarding environmental enrichment for nonhuman primates. A final policy taking the comments into consideration was in clearance at the end of FY 2000, and AC expects to issue the final policy in FY 2001.

The policy, which will serve as a resource for inspectors and regulated parties, will complement the National Research Council's fall 1998 publication on this same issue. The goal is to use both documents to best attain enrichment for primates as mandated by the 1985 amendment to the AWA.

Guidelines Adopted for Nonagricultural Use of Farm Animals

In February 2000, USDA adopted two guides that facilities should follow for standards of care for agricultural animals used in nonagricultural research or exhibition as AC policy 29. The guides are the "Guide for the Care and Use of Agricultural Research and Teaching," published by the Federation of American Societies of Food and Science, and the "Guide for the Care and Use of Laboratory Animals," published by the Institute for Laboratory Animal Research. Previously, the standards in Title 9, CFR, Chapter 1, Subchapter A, Part 3, Subpart F, applied.

Since June 1990, USDA has been regulating horses used for biomedical or other nonagricultural research and other farm animals used for biomedical or other nonagricultural research or for nonagricultural exhibition. More information on the guides can be found in the policy at www.aphis.usda.gov/ac/policy/policy29.

More Comments Received on Training and Handling of Dangerous Animals

In FY 2000, AC published a revised draft policy regarding best practices for the training and handling of potentially dangerous wild and exotic animals. Among other things, the notice sought input on suggested experience requirements for animal handlers and trainers, as well as on contingency plans for the recapture of escaped or uncontrollable animals. The revision was based on comments received in FY 1998. The second comment period was open from February 18 through April 18, 2000, and more than 250 comments were received. AC also held a public meeting on the draft policy and other exhibit animal issues. Comments made at the meeting or submitted otherwise during the comment period are being reviewed and will be incorporated into the policy as appropriate.

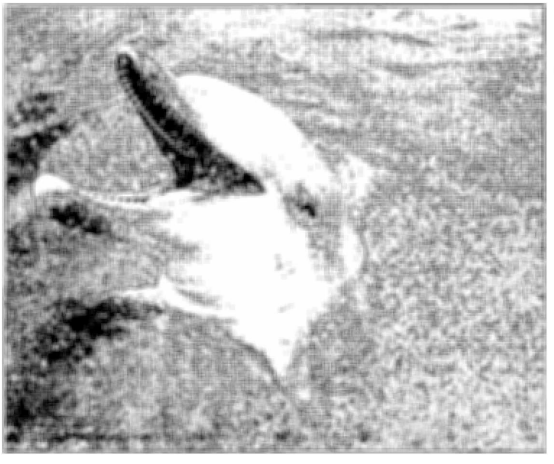
Perimeter Fencing Rule Completed

On October 18, AC published its final rule on perimeter fencing requirements for animals covered under the AWA, with emphasis on wild and exotic animals. It became effective November 17. The rule does not apply to nonhuman primates, which are already covered under subpart D of the AWA regulations. In general, the rule would require a perimeter fence at least 6 feet high for most animals and 8 feet high for dangerous animals, such as elephants, bears, and large cats. All requirements are designed to better contain the animals and to keep out unwanted animals.

AC is pursuing a technical amendment to the rule to correct the inadvertent inclusion of bobcats in a list of large felines. Bobcats are wild felines that can range from 12 to 60 or more pounds. The amendment would require only a 6-foot perimeter fence for bobcats, rather than an 8-foot fence. The amendment was published November 28, 2000.

Work Progresses on Swim-With-the-Dolphins Rule

On September 4, 1998, APHIS published a final rule that establishes new requirements for "swim-with-the-dolphins" programs. The new rule includes requirements that facilities maintain three separate pool areas: an interactive area, a buffer zone, and a sanctuary where the dolphins can swim free of public contact. In early FY 1999, based on the nature of shallow-water interactive or wading programs, AC suspended the attendant-to-participant ratio requirements and the interactive space requirements for wading programs. In April 1999, because of other considerations, APHIS suspended enforcement of the rule overall and solicited additional comments to evaluate the appropriateness of the rule given the extensive evolution of swim-with-the dolphins programs in recent years. AC is developing proposed amendments to the current rule that are more supportable based on existing scientific data and more appropriate to the nature of existing programs, including the wading programs. AC is waiting for economic impact analysis and clearance before publishing the proposed amendments, which is required as part of the regulatory development process.



Policies Completed

At the end of FY 2000, the following policies had been issued:
Veterinary care (policy 3, revised)
Consideration of alternatives to painful/distressful procedures (policy 12, revised)
Farm animals used for nonagricultural purposes (policy 29, new)

Other Policy Initiatives

During FY 2000, AC worked on additional AWA policies:
Space and exercise requirements for traveling exhibitors (policy 6, being revised)
Capture methods of prairie dogs (policy 27, being revised)
Environmental enrichment for nonhuman primates (new)
Training and handling of potentially dangerous animals (new)

Other Initiatives

AC worked on several other initiatives during FY 2000 and published them in the *Federal Register*. These include

Notices:
Petition for regulation of rats, mice, and birds

Advance Notices of Proposed Rulemaking:
Definitions for and reporting pain and distress (comments due 11/07/00)

Proposed Rules:
Inspection, licensing, and procurement of animals (comments due 11/20/00)
Acclimation certificates for dogs and cats (under review)

Final Rules:
Clarification of the definition of "field study" (published 2/9/00)
Standards for marine mammals: consensus language (under consideration)
Confiscation of animals (under consideration)

Technical Amendments:
Perimeter fencing: remove 8-foot requirement for bobcats (under consideration)

GLOSSARY OF TERMS

Airport inspection—Individual airline inspections of terminal, cargo, and baggage areas made at airports for compliance with the AWA regulations and standards.

Alleged violation—A violation of the AWA regulations or standards that has been documented as existing but has not been legally concluded.

Carrier—The operator of any airline, railroad, motor carrier, shipping line, or other enterprise that is engaged in the business of transporting any animals for hire.

Commerce—Trade, traffic, or transportation that is between a place in a State and any place outside of such State (including foreign countries), or between points within the same State but through any place outside of the State.

Complaints—(1) A civil or administrative complaint informs the alleged violator of the AWA about allegations charged against him/her. (2) A public complaint is information received from citizens, humane groups, or others concerning possible violations of the AWA, regulations, or standards at animal facilities.

Compliance—The status of a facility that meets all of the regulatory requirements set forth in the AWA regulations and standards.

Dealer—Any person who, in commerce, for compensation or profit, delivers for transportation, or transports (except as a carrier), buys, or sells, or negotiates the purchase or sale of (1) any dog or other animal whether alive or dead (including unborn animals, organs, limbs, blood, serum, or other parts) for research, teaching, testing, experimentation, exhibition, or for use as a pet; or (2) any dog for hunting, security, or breeding purposes. The term dealer does not include a retail pet store unless such store sells any animals to a research facility, an exhibitor, or to a dealer (wholesale); or any person who does not sell, or negotiate the purchase or sale, of any wild or exotic animal, dog, or cat and who derives no more than $500 gross income from the sale of animals, dogs, or cats, during any calendar year.

Enforcement—The activities undertaken by USDA and APHIS AC and IES personnel to ensure that the AWA's regulations and standards are met. Enforcement includes developing alleged violation cases and taking action in the form of Letters of Warning, warning tickets, stipulations, administraive complaints, hearings, trials, and other legal procedures and methods to obtain compliance.

Exhibitor—Any person (public or private) exhibiting any animals which were purchased in commerce or the intended distribution of which affects commerce, or will affect commerce, to the public for compensation. Exhibitors include carnivals, circuses, animal acts, zoos, and educational exhibits, whether exhibiting for profit or not. The term exhibitor excludes most retail pet stores, horse and dog races, organizations sponsoring, and all persons participating in State and county fairs, livestock shows, rodeos, field trials, coursing events, purebred dog and cat shows, and any other fairs or exhibitions intended to advance agricultural arts and sciences.

Facility—A facility is the holder of the license or registration. Each facility may have only one license or registration number but may be physically divided into two or more sites.

Inspections—

- *Attempted inspection*—An inspection that could not be completed, including those where representatives of the inspected entities were not onsite or transportation facilities were found to have no animals present.
- *Compliance inspection*—An unannounced inspection completed, after licensing or registration, to determine the facility's compliance with the AWA regulations and standards. Compliance inspections include reinspections.
- *Prelicensing or Preregistration inspection*—An announced inspection made, after application for licensure or registration has been submitted, to ascertain compliance with the AWA regulations and standards prior to licensing or registering the facility. Prelicensing inspections are required. Preregistration inspections, although not required, are often performed upon request of the facility.
- *Reinspection*—An inspection made specifically to follow up on one or more violations documented during a compliance inspection.

Intermediate handler—Any person who is engaged in any business receiving custody of animals in connection with their transportation in commerce. This definition excludes dealers, research facilities, exhibitors, operators of auction sales, and carriers.

Investigation—Inquiries and examination of allegation(s) that a person or facility is not complying with the AWA or its regulations or standards.

License classes—

- A Class A licensee is anyone meeting the definition of "dealer" whose business consists only of animals that are bred and raised on the premises in a closed or stable colony and those animals acquired for the sole purpose of maintaining or enhancing the breeding colony.

- *A Class B licensee* is anyone meeting the definition of a "dealer" whose business includes the purchase and/or resale of any animal. Class B licensees include brokers and operators of auction sales, as such individuals negotiate or arrange for the purchase, sale, or transport of animals in commerce.

- *A Class C licensee* is anyone meeting the definition of an "exhibitor" whose business involves the showing or displaying of animals to the public.

Random source dogs and cats—Animals acquired from animal pounds and shelters, auction sales, or from any person who did not breed and raise the animals on his or her premises.

Registrant—Any research facility, carrier, intermediate handler, or exhibitor whose primary business is not required to be licensed by the AWA. If a registered facility conducts an activity that requires a license, then it will also be licensed for that activity. For example, some research facilities have a dealer license in addition to their registration because they occasionally sell surplus animals to other research facilities.

Research facility—Any school (other than elementary or secondary), institution, organization, or person that uses or intends to use live animals in research, tests, or experiments, and that (1) purchases or transports live animals in commerce or (2) receives funds under a grant, award, loan, or contract from a department, agency, or instrumentality of the United States for the purpose of carrying out research, tests, or experiments.

- An *active registered research facility* is a USDA-registered research facility that currently utilizes animals covered by the AWA for teaching, testing, or experimentation.

- An *inactive registered research facility* is a USDA-registered research facility that currently does not utilize animals covered by the AWA for teaching, testing, or experimentation.

Retail pet store—Any outlet where only the following animals are sold or offered for sale, at retail, for use as pets: dogs, cats, rabbits, guinea pigs, hamsters, gerbils, rats, mice, gophers, chinchillas, domestic ferrets, domestic farm animals, birds, coldblooded species, and other common small pets. Retail pet stores do not include any establishment or persons who (1) deal in dogs used for hunting, security, or breeding purposes; (2) exhibit, sell, or offer to exhibit or sell, any wild or exotic or other nonpet species of warmblooded animals (except birds) such as skunks, raccoons, nonhuman primates, squirrels, ocelots, foxes, coyotes, etc.; (3) sell warmblooded animals (except birds and laboratory rats and mice) for research or exhibition purposes; (4) wholesale any animals (except birds and laboratory rats and mice); or (5) exhibit pet animals in a room that is separate from or adjacent to the retail pet store, or in an outside area, or anywhere off the retail pet store premises.

Search—Activity associated with finding unlicensed or unregistered entities.

Site—All regulated components of a licensed or registered facility within the same geographical location, typically within a 35-mile radius.

Stipulation—An agreement by a violator to accept assessment of a civil penalty, license suspension, or combination of both. The stipulation procedure is used instead of formal administrative hearings. Alleged violators are offered the opportunity to waive a hearing by agreeing to enter into a stipulation, in which case they will pay a specified civil penalty and/or have their license suspended for a specified period.

Violation—An area or item, at a registered or licensed facility, found to be out of compliance with the regulations or standards of the AWA.

APPENDIX

TABLE 1. NUMBER OF LICENSEES AND REGISTRANTS, BY FACILITIES AND NUMBER OF SITES (FY 2000)

	Registered intermediate handlers		Registered carriers		Licensed Class A dealers		Licensed Class B dealers		Licensed exhibitors		Registered exhibitors		Active research facilities		Inactive research facilities	
	Facilities	Sites	Facilities	Sites	Facilities	Sites	Facilities	Sites	Facilities	Sites	Facilities	Sites	Facilities	Sites	Facilities	Sites
Total United States	302	422	86	800	3,433	3,391	1,179	1,227	2,489	2,803	19	19	1,231	1,509	34	36
Alabama	1	1	0	12	3	3	14	16	37	38	0	0	13	13	0	0
Alaska	2	4	4	20	2	1	0	0	10	10	0	0	4	4	0	0
Arizona	11	13	1	17	3	3	7	6	32	35	0	0	10	11	0	0
Arkansas	1	2	0	12	185	177	32	34	25	30	0	0	10	10	0	0
California	37	53	7	122	24	18	23	26	250	293	0	0	170	184	9	10
Colorado	5	11	1	12	7	7	8	8	32	33	0	0	23	22	1	1
Connecticut	6	10	0	7	0	0	11	11	40	43	0	0	18	25	0	0
Delaware	0	0	0	0	0	0	4	3	6	5	0	0	8	7	0	0
Dist. of Columbia	0	1	0	8	0	0	0	0	0	0	0	0	5	5	1	1
Florida	24	41	5	31	42	40	78	85	261	341	2	2	20	29	4	5
Georgia	12	15	3	17	24	24	12	12	56	64	2	2	15	28	0	0
Guam	1	1	0	2	0	0	0	0	3	3	0	0	0	0	0	0
Hawaii	17	17	4	28	0	0	0	0	20	20	0	0	2	2	0	0
Idaho	0	1	0	6	5	4	3	3	15	17	0	0	4	4	0	0
Illinois	13	11	1	13	55	55	47	47	140	162	2	2	41	41	1	1
Indiana	2	4	1	11	37	36	36	36	74	82	0	0	20	26	0	0
Iowa	0	3	0	9	311	312	58	57	47	48	0	0	17	21	0	0
Kansas	0	1	1	10	410	413	71	70	29	36	0	0	18	22	1	1
Kentucky	4	7	1	11	8	8	5	5	17	21	1	1	7	12	1	1
Louisiana	1	3	0	2	14	13	14	13	21	21	0	0	13	27	0	0
Maine	3	3	0	3	1	1	2	4	9	10	0	0	11	12	0	0
Maryland	5	9	0	10	5	5	14	13	26	24	0	0	47	55	0	0
Massachusetts	6	8	1	8	7	6	10	11	40	47	0	0	85	133	0	0
Michigan	5	9	4	22	15	16	34	36	98	105	4	4	34	44	0	0
Minnesota	1	3	2	6	81	78	41	41	59	59	2	2	26	37	0	0
Mississippi	0	0	0	2	3	3	3	4	13	13	0	0	6	6	0	0
Missouri	7	7	3	25	1,092	1,088	144	148	57	69	0	0	38	38	0	0
Montana	0	0	1	24	14	15	0	0	16	16	0	0	6	7	0	0
Nebraska	1	0	0	0	145	143	19	18	14	16	0	0	14	13	0	0
Nevada	3	7	2	19	4	3	7	8	50	52	0	0	1	3	0	0
New Hampshire	1	1	1	3	1	1	1	1	16	18	0	0	4	5	0	0
New Jersey	7	13	2	6	6	4	18	23	50	53	0	0	49	66	2	2
New Mexico	3	4	3	10	2	2	5	3	13	13	0	0	8	9	0	0
New York	24	33	4	41	25	23	33	35	121	134	0	0	90	111	1	2
North Carolina	9	14	2	27	9	9	24	26	36	38	0	0	24	31	1	1
North Dakota	1	1	0	11	28	29	3	5	15	14	0	0	3	3	0	0
Ohio	5	7	2	16	31	31	35	38	77	89	4	4	46	67	2	2
Oklahoma	2	3	0	7	423	421	56	58	28	34	0	0	17	19	2	1
Oregon	8	8	1	14	33	30	34	32	48	45	0	0	10	11	0	0
Pennsylvania	14	18	1	34	126	123	51	60	104	115	0	0	73	87	3	3
Puerto Rico	1	1	5	7	0	0	1	1	7	7	0	0	7	10	0	0
Rhode Island	1	2	0	2	0	0	2	2	7	8	0	0	7	7	0	0
South Carolina	1	3	0	11	8	8	6	7	22	26	0	0	11	15	0	0
South Dakota	0	0	0	11	95	92	18	17	22	25	0	0	6	6	0	0
Tennessee	3	7	2	27	16	16	13	15	28	32	0	0	18	17	2	2
Texas	24	27	5	39	87	87	119	127	196	221	0	0	80	92	0	0
Utah	5	5	2	9	1	0	1	1	14	14	0	0	8	8	0	0
Vermont	1	2	0	2	1	1	2	2	3	4	0	0	3	3	0	0
Virgin Islands	3	3	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	8	12	4	8	7	7	13	12	49	54	1	1	14	20	1	1
Washington	8	9	5	35	14	11	9	7	26	32	0	0	29	27	2	2
West Virginia	1	1	0	1	1	1	10	10	10	11	0	0	5	5	0	0
Wisconsin	4	3	4	9	21	22	28	30	100	103	1	1	30	46	0	0
Wyoming	0	0	1	0	1	1	0	0	0	0	0	0	3	3	0	0

TABLE 2. ANIMALS USED IN RESEARCH (FY 2000)

	Number of all animals	Dogs	Cats	Primates	Guinea pigs	Hamsters	Rabbits	Sheep	Pigs	Other farm animals	Other animals
Total United States	1,416,643	69,516	25,560	57,518	505,009	174,146	258,754	23,934	66,651	89,126	166,429
Total research	1,299,624	67,826	25,022	52,031	494,183	161,825	247,652	15,630	55,062	49,851	130,542
Federal agencies	117,019	1,690	538	5,487	10,826	12,321	11,102	8,304	11,589	19,275	35,867
Alabama	7,799	1,862	383	492	401	140	2,363	153	499	766	740
Alaska	528	18	0	0	0	0	0	0	0	0	510
Arizona	3,653	320	98	107	100	247	597	10	401	23	1,750
Arkansas	2,619	630	29	140	449	0	1,013	0	198	0	160
California	131,006	3,108	4,943	7,003	26,620	12,184	43,944	3,733	6,796	10,714	11,961
Colorado	9,942	755	503	8	2,948	1,522	873	540	513	70	2,210
Connecticut	7,948	697	158	579	861	1,370	2,268	6	571	61	1,377
Delaware	37,993	1,434	713	44	6,566	7,305	9,116	72	3,867	682	8,194
Dist. of Columbia	17,789	137	59	480	516	294	1,127	70	1,088	5	14,013
Florida	7,547	273	247	1,273	778	207	1,138	297	964	310	2,060
Georgia	23,884	1,168	356	3,601	849	4,654	10,246	17	1,207	159	1,627
Guam	0	0	0	0	0	0	0	0	0	0	0
Hawai'i	188	0	1	13	46	0	21	0	76	9	22
Idaho	664	41	8	0	0	0	88	31	0	9	487
Illinois	33,618	2,907	654	675	7,271	2,450	10,150	420	3,747	1,254	4,090
Indiana	16,391	2,432	727	425	2,819	707	2,955	89	414	41	5,762
Iowa	63,635	2,149	1,504	11	7,964	40,295	4,892	960	1,934	3,443	683
Kansas	27,074	1,480	1,091	140	2,122	3,698	980	38	3,085	12,142	2,348
Kentucky	3,066	163	94	57	251	427	1,133	0	188	192	561
Louisiana	16,925	1,027	301	8,092	420	60	2,397	4	303	303	4,018
Maine	5,875	8	10	0	6	24	284	0	89	214	5,240
Maryland	55,253	1,011	595	5,460	19,012	9,260	10,757	420	1,351	466	6,921
Massachusetts	306,084	1,684	603	3,832	266,606	8,146	10,088	958	4,403	5,739	4,025
Michigan	33,553	4,335	1,008	1,207	10,327	1,452	5,442	456	672	1,325	7,329
Minnesota	16,642	1,962	442	299	4,569	783	3,755	944	2,771	460	657
Mississippi	1,846	414	19	113	6	458	173	7	403	45	208
Missouri	33,845	2,286	1,682	48	6,306	9,116	4,297	687	2,031	2,163	5,209
Montana	4,451	12	40	25	0	0	1,726	101	0	2,537	10
Nebraska	66,973	1,126	481	86	2,134	31,595	4,001	7,279	6,574	13,240	457
Nevada	2,392	101	0	0	737	0	96	216	0	0	1,242
New Hampshire	849	6	55	8	3	112	171	1	437	0	56
New Jersey	91,150	6,014	619	3,383	38,418	9,171	19,775	976	996	924	10,874
New Mexico	1,790	300	0	177	24	203	41	0	166	12	867
New York	54,946	5,153	1,965	2,197	14,836	9,989	7,804	916	2,205	209	9,672
North Carolina	29,391	1,816	760	1,526	7,836	1,399	8,709	244	2,704	1,708	2,689
North Dakota	523	14	31	0	92	0	1	309	57	17	2
Ohio	54,112	4,110	1,041	694	22,605	1,878	14,032	166	4,343	453	4,790
Oklahoma	3,899	930	169	92	677	138	513	35	40	264	1,041
Oregon	4,864	137	73	1,062	706	893	475	196	237	104	981
Pennsylvania	86,186	5,641	1,593	1,880	28,902	3,009	37,810	1,019	2,222	1,086	3,024
Puerto Rico	2,394	0	0	2,015	50	76	96	0	19	0	138
Rhode Island	1,593	27	92	14	81	339	180	126	223	3	508
South Carolina	6,107	150	154	400	201	35	851	0	496	3	3,817
South Dakota	5,297	50	25	4	14	5	225	598	569	3,723	84
Tennessee	8,242	1,078	349	154	1,250	1,066	1,303	119	1,660	271	992
Texas	50,477	2,502	776	3,587	6,259	3,807	16,163	937	3,213	3,355	9,878
Utah	4,513	239	40	24	1,180	340	727	92	313	60	1,498
Vermont	878	38	9	0	438	191	57	0	83	20	42
Virgin Islands	0	0	0	0	0	0	0	0	0	0	0
Virginia	16,345	2,638	265	1,429	393	1,482	5,084	45	1,117	166	3,726
Washington	24,505	627	107	1,083	3,570	1,107	3,178	344	345	149	13,995
West Virginia	883	45	70	0	363	10	146	79	32	0	138
Wisconsin	27,959	4,428	605	3,579	6,415	2,499	5,446	209	1,079	190	3,509
Wyoming	357	33	13	0	12	3	47	15	0	17	217

TABLE 3. ANIMALS USED IN RESEARCH, NO PAIN OR DISTRESS—NO DRUGS NEEDED FOR RELIEF (FY 2000)

	Number of all animals	Dogs	Cats	Primates	Guinea pigs	Hamsters	Rabbits	Sheep	Pigs	Other farm animals	Other animals
Total United States	897,226	32,898	13,206	31,574	387,077	90,872	142,674	13,860	26,339	56,067	102,659
Total research	825,370	32,747	12,943	28,631	383,703	84,220	140,688	5,984	19,219	40,367	76,868
Federal agencies	71,856	151	263	2,943	3,374	6,652	1,986	7,876	7,120	15,700	25,791
Alabama	3,325	751	287	8	248	61	597	24	46	666	637
Alaska	48	0	0	0	0	0	0	0	0	0	48
Arizona	1,697	30	0	78	88	144	105	0	0	13	1,239
Arkansas	1,751	602	29	133	145	0	671	0	131	0	40
California	70,678	1,232	2,105	4,719	14,582	4,976	24,077	1,557	2,601	8,319	6,410
Colorado	3,750	396	315	0	971	456	485	23	18	52	1,034
Connecticut	2,511	118	49	125	397	419	923	3	105	45	327
Delaware	22,275	751	697	33	2,885	3,750	6,966	72	3,743	682	2,696
Dist. of Columbia	10,899	33	0	240	248	137	281	0	33	0	9,927
Florida	4,653	151	69	1,205	636	162	486	189	166	199	1,390
Georgia	9,199	630	156	378	7	867	5,973	4	135	79	970
Guam	0	0	0	0	0	0	0	0	0	0	0
Hawaii	86	0	1	13	44	0	10	0	5	0	13
Idaho	411	4	0	0	0	0	36	0	0	6	365
Illinois	23,982	1,177	474	329	6,039	1,862	6,788	330	2,752	1,090	3,141
Indiana	6,980	828	424	226	855	118	1,862	4	12	41	2,590
Iowa	34,639	756	490	0	3,777	23,389	476	782	1,275	3,197	497
Kansas	19,727	1,236	975	0	221	83	110	38	2,832	12,109	2,123
Kentucky	124	0	28	0	1	0	42	0	0	3	50
Louisiana	9,137	140	9	5,460	6	60	475	0	18	232	2,737
Maine	5,746	0	0	0	6	24	284	0	0	207	5,225
Maryland	21,040	130	175	2,719	5,799	5,287	4,713	107	45	270	1,795
Massachusetts	276,684	352	317	1,820	260,363	4,049	3,038	208	891	2,952	2,694
Michigan	17,623	2,297	630	798	5,265	397	2,203	113	35	1,111	4,774
Minnesota	7,313	240	63	62	4,002	268	1,446	188	412	279	353
Mississippi	582	174	0	44	6	4	11	0	170	35	138
Missouri	16,684	1,494	1,483	11	4,627	1,839	2,690	371	1,435	2,014	720
Montana	4,143	12	20	25	0	0	1,493	101	0	2,492	0
Nebraska	51,912	564	335	65	1,899	21,335	2,550	7,119	5,764	12,025	256
Nevada	2,127	101	0	0	701	0	83	0	0	0	1,242
New Hampshire	78	0	0	0	0	2	70	0	0	0	6
New Jersey	52,373	3,721	527	1,560	21,412	5,935	11,936	246	113	837	6,064
New Mexico	1,073	109	0	68	0	144	20	0	1	0	731
New York	23,036	3,104	404	1,547	5,212	5,653	2,655	357	270	101	3,733
North Carolina	14,858	841	258	204	5,774	516	5,569	37	650	145	864
North Dakota	242	14	31	0	24	0	1	141	29	0	2
Ohio	36,453	2,301	480	215	19,362	605	9,994	16	555	33	2,912
Oklahoma	1,998	330	79	2	369	0	174	31	24	244	745
Oregon	1,784	23	12	128	4	562	9	1	0	66	979
Pennsylvania	51,489	2,830	1,190	1,277	12,635	1,221	29,391	558	494	322	1,571
Puerto Rico	1,163	0	0	860	50	19	96	0	0	0	138
Rhode Island	886	2	30	0	0	265	48	43	0	0	498
South Carolina	3,654	43	26	80	1	0	272	0	75	0	3,157
South Dakota	4,678	0	0	0	14	5	191	598	277	3,530	63
Tennessee	2,007	18	148	20	15	764	284	0	21	271	466
Texas	28,899	1,297	474	2,458	3,992	1,708	6,975	258	931	2,202	8,604
Utah	1,654	16	0	4	0	101	134	8	69	0	1,322
Vermont	545	6	3	0	428	60	0	0	0	6	42
Virgin Islands	0	0	0	0	0	0	0	0	0	0	0
Virginia	7,532	1,350	114	828	158	614	1,090	6	20	104	3,248
Washington	18,583	246	63	1,029	84	975	2,333	260	73	68	11,452
West Virginia	66	0	0	0	8	10	8	0	0	0	40
Wisconsin	16,320	2,448	256	2,783	3,615	2,023	2,546	50	113	11	2,475
Wyoming	149	0	0	0	2	3	4	15	0	9	116

TABLE 4. ANIMALS USED IN RESEARCH, WITH PAIN OR DISTRESS—DRUGS USED FOR RELIEF (FY 2000)

	Number of all animals	Dogs	Cats	Primates	Guinea pigs	Hamsters	Rabbits	Sheep	Pigs	Other farm animals	Other animals
Total United States	415,215	34,925	11,984	26,029	84,137	37,372	111,201	10,025	38,893	11,200	50,449
Total research Federal agencies	378,055 37,160	33,451 1,474	11,709 275	22,723 2,306	80,368 3,769	33,300 4,072	102,554 8,647	9,597 428	34,779 4,114	7,671 3,529	41,903 8,546
Alabama	4,441	1,078	96	484	153	79	1,766	129	453	100	103
Alaska	480	18	0	0	0	0	0	0	0	0	462
Arizona	1,889	290	98	29	12	36	492	10	401	10	511
Arkansas	793	2	0	0	301	0	303	0	67	0	120
California	55,419	1,604	2,838	2,251	9,985	7,208	19,566	2,176	4,160	1,671	3,960
Colorado	3,559	359	188	0	679	900	332	501	495	18	87
Connecticut	4,845	477	109	222	322	945	1,235	3	466	16	1,050
Delaware	10,191	677	11	11	3,529	100	2,021	0	124	0	3,718
Dist. of Columbia	6,585	104	59	187	155	117	840	70	1,027	5	4,021
Florica	2,883	122	178	68	133	45	651	107	798	111	670
Georgia	14,310	522	200	3,159	780	3,599	4,260	13	1,072	80	625
Guam	0	0	0	0	0	0	0	0	0	0	0
Hawaii	102	0	0	0	2	0	11	0	71	9	9
Idaho	201	37	8	0	0	0	0	31	0	3	122
Illinois	8,601	1,693	160	346	603	557	3,206	90	960	87	879
Indiana	6,407	1,529	281	197	1,934	589	919	85	402	0	471
Iowa	11,331	1,167	956	11	3,851	149	4,416	178	218	200	185
Kansas	2,943	222	116	140	1,055	335	710	0	107	33	225
Kentucky	2,906	163	66	57	250	427	1,055	0	188	189	511
Louisiana	7,778	877	292	2,632	414	0	1,922	4	285	71	1,281
Maine	129	8	10	0	0	0	0	0	89	7	15
Maryland	27,346	837	420	2,629	7,620	3,614	5,580	313	1,306	185	4,842
Massachusetts	27,031	1,331	286	1,974	5,935	3,198	7,050	750	3,244	1,957	1,306
Michigan	11,051	1,967	378	351	2,145	1,055	2,973	343	637	116	1,086
Minnesota	8,890	1,722	379	237	567	515	1,870	756	2,359	181	304
Mississippi	1,264	240	19	69	0	454	162	7	233	10	70
Missouri	9,610	792	199	37	399	1,299	1,562	316	557	160	4,469
Montana	308	0	20	0	0	0	233	0	0	45	10
Nebraska	5,021	510	134	21	107	462	1,451	160	810	1,215	151
Nevada	265	0	0	0	36	0	13	216	0	0	0
New Hampshire	726	6	55	8	3	110	56	1	437	0	50
New Jersey	33,566	2,059	88	1,715	15,457	911	6,958	698	882	85	4,713
New Mexico	717	191	0	109	24	59	21	0	165	12	136
New York	25,604	1,834	1,328	616	6,577	2,496	5,080	559	1,768	108	5,238
North Carolina	12,673	945	502	1,318	469	883	3,005	207	1,979	1,540	1,825
North Dakota	281	0	0	0	68	0	0	168	28	17	0
Ohio	15,871	1,774	581	479	1,759	1,273	3,853	150	3,788	420	1,784
Oklahoma	1,901	600	90	90	308	138	339	4	16	20	296
Oregon	3,080	114	61	934	702	331	466	195	237	38	2
Pennsylvania	28,099	2,680	377	476	10,762	1,497	7,903	459	1,728	764	1,453
Puerto Rico	1,231	0	0	1,155	0	57	0	0	19	0	0
Rhode Island	674	25	62	14	81	74	99	83	223	3	10
South Carolina	2,453	107	128	320	200	35	579	0	421	3	660
South Dakota	344	50	25	4	0	0	31	0	58	155	21
Tennessee	6,196	1,031	191	134	1,235	302	1,019	119	1,639	0	526
Texas	19,922	1,179	302	1,104	2,183	1,717	8,811	579	2,282	1,152	513
Utah	2,859	223	40	20	1,180	239	593	84	244	60	176
Vermont	293	32	6	0	10	91	57	0	83	14	0
Virgin Islands	0	0	0	0	0	0	0	0	0	0	0
Virginia	8,783	1,288	151	571	235	868	3,994	39	1,097	62	478
Washington	2,929	381	44	54	136	132	845	84	272	81	900
West Virginia	817	45	70	0	355	0	138	79	32	0	98
Wisconsin	9,209	1,980	349	796	1,416	476	2,702	159	966	179	186
Wyoming	208	33	13	0	10	0	43	0	0	8	101

TABLE 5. ANIMALS USED IN RESEARCH, WITH PAIN OR DISTRESS— NO DRUGS USED FOR RELIEF (FY 2000)

	Number of all animals	Dogs	Cats	Primates	Guinea pigs	Hamsters	Rabbits	Sheep	Pigs	Other farm animals	Other animals
Total United States	104,202	1,693	370	915	33,795	45,902	4,879	49	1,419	1,859	13,321
Total research	96,199	1,628	370	677	30,112	44,305	4,410	49	1,064	1,813	11,771
Federal agencies	8,003	65	0	238	3,683	1,597	469	0	355	46	1,550
Alabama	33	33	0	0	0	0	0	0	0	0	0
Alaska	0	0	0	0	0	0	0	0	0	0	0
Arizona	67	0	0	0	0	67	0	0	0	0	0
Arkansas	75	26	0	7	3	0	39	0	0	0	0
California	4,939	272	0	33	1,953	0	301	0	35	724	1,591
Colorado	2,693	0	0	8	1,298	166	56	16	0	0	1,089
Connecticut	592	102	0	232	142	6	110	0	0	0	0
Delaware	5,527	6	5	0	152	3,455	129	0	0	0	1,780
Dist. of Columbia	305	0	0	53	113	40	6	0	28	0	65
Florida	11	0	0	0	9	0	1	1	0	0	0
Georgia	375	16	0	64	62	188	13	0	0	0	32
Guam	0	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0	0
Idaho	52	0	0	0	0	0	52	0	0	0	0
Illinois	1,035	37	0	0	629	31	156	0	35	77	70
Indiana	3,024	75	22	2	30	0	174	0	0	0	2,721
Iowa	17,865	226	58	0	386	16,757	0	0	441	46	1
Kansas	4,404	22	0	0	846	3,280	160	0	96	0	0
Kentucky	36	0	0	0	0	0	6	0	0	0	0
Louisiana	10	10	0	0	0	0	0	0	0	0	0
Maine	0	0	0	0	0	0	0	0	0	0	0
Maryland	6,867	44	0	112	5,593	359	464	0	0	11	284
Massachusetts	2,369	1	0	38	308	899	0	0	268	830	25
Michigan	4,879	71	0	58	2,917	0	266	0	0	98	1,469
Minnesota	439	0	0	0	0	0	439	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0	0
Missouri	7,351	0	0	0	1,280	5,978	45	0	39	9	0
Montana	0	0	0	0	0	0	0	0	0	0	0
Nebraska	10,040	52	12	0	126	9,798	0	0	0	0	50
Nevada	0	0	0	0	0	0	0	0	0	0	0
New Hampshire	45	0	0	0	0	0	45	0	0	0	0
New Jersey	5,221	234	4	88	1,549	2,325	881	30	1	2	97
New Mexico	0	0	0	0	0	0	0	0	0	0	0
New York	6,306	215	233	34	3,047	1,840	69	0	167	0	701
North Carolina	1,860	30	0	4	1,593	0	135	0	75	23	0
North Dakota	0	0	0	0	0	0	0	0	0	0	0
Ohio	1,788	35	0	0	1,484	0	175	0	0	0	94
Oklahoma	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	0	0	0	0	0	0	0	0
Pennsylvania	6,598	131	26	127	5,505	291	516	2	0	0	0
Puerto Rico	0	0	0	0	0	0	0	0	0	0	0
Rhode Island	33	0	0	0	0	0	33	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0	0
South Dakota	275	0	0	0	0	0	3	0	234	38	0
Tennessee	39	29	10	0	0	0	0	0	0	0	0
Texas	1,666	26	0	25	84	382	377	0	0	1	761
Utah	0	0	0	0	0	0	0	0	0	0	0
Vermont	40	0	0	0	0	40	0	0	0	0	0
Virgin Islands	0	0	0	0	0	0	0	0	0	0	0
Virginia	30	0	0	30	0	0	0	0	0	0	0
Washington	4,993	0	0	0	3,350	0	0	0	0	0	1,643
West Virginia	0	0	0	0	0	0	0	0	0	0	0
Wisconsin	2,430	0	0	0	1,384	0	198	0	0	0	848
Wyoming	0	0	0	0	0	0	0	0	0	0	0

TABLE 6. NUMBER OF ANIMALS USED BY RESEARCH FROM THE FIRST REPORTING YEAR (1973) TO THE PRESENT

FY	Dogs	Cats	Primates	Guinea pigs	Hamsters	Rabbits	Farm animals	Other covered animals	Totals
1973	195,157	66,195	42,298	408,970	454,966	447,570		38,169	1,653,345
1974	199,204	74,259	51,253	430,439	430,766	425,585		81,021	1,692,527
1975	154,489	51,439	36,202	436,446	456,031	448,530		42,523	1,625,660
1976	210,330	70,468	50,115	486,310	503,590	527,551		73,736	1,922,100
1977	176,430	62,311	53,116	348,741	393,533	439,003		46,535	1,519,669
1978	197,010	65,929	57,009	419,341	414,394	475,162		58,356	1,687,201
1979	211,104	69,103	59,359	457,134	419,504	539,594		76,247	1,832,045
1980	188,783	68,482	56,024	422,390	405,826	471,297		49,102	1,661,904
1981	188,649	58,090	57,515	432,632	397,522	473,922		50,111	1,658,441
1982	161,396	49,923	46,398	459,246	337,790	453,506		69,043	1,577,232
1983	174,542	53,344	54,926	485,048	337,023	466,810		106,549	1,880,242
1984	201,936	56,910	55,338	561,184	437,123	529,101		232,541	2,074,133
1985	194,905	59,211	57,271	598,903	414,460	544,521		284,416	2,153,797
1986	176,141	54,125	48,540	462,699	370,655	521,773		144,470	1,778,403
1987	180,169	50,145	61,392	538,998	416,002	554,385		168,032	1,969,123
1988	140,471	42,271	51,641	431,457	331,945	459,254		176,249	1,635,286
1989	156,443	50,812	51,688	481,712	389,042	471,037		153,722	1,754,456
1990	109,992	33,700	47,177	352,627	311,068	399,264	66,702	257,569	1,578,099
1991	107,908	34,613	42,620	378,582	304,207	396,046	214,759	363,685	1,842,420
1992	124,161	38,592	55,105	375,063	369,585	431,432	210,936	529,308	2,134,182
1993	106,191	33,991	49,561	392,138	318,268	426,501	165,416	212,309	1,704,505
1994	101,090	32,610	55,113	360,184	298,934	393,751	180,667	202,300	1,624,649
1995	89,420	29,569	50,206	333,379	248,402	354,076	163,985	126,426	1,395,463
1996	82,420	26,035	52,327	299,011	246,415	338,574	154,344	146,579	1,345,739
1997	75,429	26,091	56,381	272,797	217,079	309,322	159,742	150,987	1,267,828
1998	76,071	24,712	57,377	261,305	206,243	287,523	157,820	142,963	1,213,814
1999	70,541	23,238	54,927	266,129	201,593	280,222	155,409	165,939	1,217,998
2000	69,516	25,560	57,518	505,009	174,146	258,754	159,711	166,429	1,416,643

BRUCELLOSIS

Mr. Bonilla: What is the most recent data on herds under quarantine in the United States for brucellosis? If there are no herds under quarantine, why are we still funding this program?

Response: Presently, there are no herds under quarantine for brucellosis in the United States. APHIS is funding this program because we continue to find newly affected herds. Our $9 million request is necessary to preserve the fruits of a 65-year, $4.1 billion Federal-State effort. In FY 2001, we found 3 newly affected herds. Thus far in FY 2002, we have found 5 newly affected herds. Four of these herds have been depopulated and one is in the process of being depopulated. In addition, infection in the bison and elk population of the Greater Yellowstone Area--GYA--continues to be a problem. APHIS must continue to be vigilant in addressing brucellosis infection in the GYA as these animals may serve as foci of infection for cattle in surrounding states. We must also continue to fund the swine brucellosis program in domestic swine and address swine brucellosis in the nation's feral swine population.

Mr. Bonilla: Provide a five-year table, including estimates for fiscal year 2003 that shows the amount spent on brucellosis-infected bison at Yellowstone National Park. Also, provide a brief explanation of how these funds were used.

[The information follows:]

Year	Amount Spent
1999	$700,000
2000	$700,000
2001	$1,500,000
2002	$1,500,000
2003	$2,000,000

In FY 2001, the Departments of Agriculture and Interior signed a Record of Decision--ROD--for a bison management plan for the State of Montana and the Yellowstone National Park--YNP. The State of Montana also published a ROD, incorporating the same bison management plan. While the plan does not actually focus on eradicating brucellosis, it does focus on managing bison to minimize the risk of brucellosis transmission. APHIS' next step is to work with involved agencies to develop a brucellosis elimination plan for the GYA. APHIS participates on the Greater Yellowstone Interagency Brucellosis Committee--GYIBC. In addition, APHIS personnel assist with liaison activities, planning, bison capture, testing and sampling, laboratory support, and funds for research in the YNP. The FY 2001 funding increase covered capture facility operations in Horse Butte and contributions to the GYIBC and the Idaho Wildlife Development Plan. We expect to increase surveillance around the Park in FY 2003.

SWINE BRUCELLOSIS

Mr. Bonilla: Did the Agency meet its goal of eradication in the swine brucellosis program by January 2001?

Response: APHIS did not eradicate swine brucellosis from the U.S. domestic swine population by January 2001. During FY 2000, we discovered 54 newly affected herds, most of which were infected from exposure to affected feral swine. APHIS depopulated all 54 herds. In FY 2001, we discovered 9 newly affected herds from 4 States. Of the 9 herds, 3 were in Arkansas, 2 were in Louisiana, 1 was in Oklahoma, and 3 were in Texas. These herds were also infected from exposure to affected feral swine. Currently, there are 46 validated-free States. The remaining four States, Arkansas, Florida, Louisiana, and Texas, are in non-validated status.

FOOT-AND-MOUTH DISEASE

Mr.Bonilla: APHIS and the Colombian Agriculture Institute, ICA, operate a cost-sharing foot-and-mouth eradication program. What is the status of this initiative as well as its cost?

Response: The collaboration between APHIS and ICA began with the goal of creating a barrier on the Colombia-Panama border, but APHIS now supports the Pan American Health Organization's plan to eradicate foot-and-mouth disease--FMD--throughout the western hemisphere, which entails assisting Colombia to eradicate FMD across the whole country. To this end, APHIS assisted Colombia to establish and maintain a surveillance system of 14 emergency response units across most of the country. In the last year, Colombia established three more of these units to ensure national coverage. As an indication of the success of the Colombia FMD program, there were only 5 outbreaks of FMD during 2001 and no cases anywhere in Colombia since May 2001, an all time record low.

Recent developments demonstrate clearly that FMD is one of the greatest threats to the U.S. animal industries. Several countries in Asia and Europe, as well as South America, that had been free of FMD for several years have had outbreaks over the past year. Careful serum surveys of cattle across the northern part of Colombia, where the USDA-ICA program has traditionally operated, demonstrates that the FMD virus is not circulating. The OIE granted this region recognition as "FMD free with vaccination." Colombia plans to expand this recognized area further south. There was, however, an outbreak near the Panama border in August 2000 which originated from animals moved from the southern part of the country. The program controlled the outbreak quickly, drawing on the infrastructure they had developed over years of collaboration. Similar outbreaks over the past year in Korea, Taiwan, and Europe did not end as well. These countries were believed to have had the most efficient surveillance systems in the world, other than ours, but outbreaks there have resulted in billions of dollars in losses to animal producers.

Thus, APHIS is committed to reducing the threat of accidental introduction of FMD by moving the disease further from the U.S. border. APHIS will continue redirecting available resources toward southern and eastern Colombia where the last outbreaks occurred and where there is still much work to be done. In FYs 2000 and 2001, APHIS contributed $900,000 to the ICA-USDA program directly and an additional $300,000 for collaborative programs in Colombia. In FY 2001, the program began utilizing some of its resources in other countries in South America. In FY 2002, APHIS is continuing a process of supporting FMD eradication programs in Colombia's two neighboring countries along their international frontiers: in three Venezuelan frontier states and in four Ecuadorian provinces. This is to protect the success of the Colombia program and to continue moving the FMD risk further south and east away from North America. In FY 2002, APHIS reduced the resources provided directly to the ICA-USDA program to $675,000 with an additional $270,000 to collaborative programs. This reflects the maturing nature of the Colombia FMD eradication program. At the same time, we increased funding in the neighboring countries' FMD programs, Ecuador with $95,000 and Venezuela with $75,000.

The Colombian government--ICA--is investing well in excess of $1 million toward the binational FMD surveillance program. The cattlemen of Colombia through a special governmental fund is investing in excess of $14 million, but directed only at the two annual FMD vaccine campaigns.

MEDITERRANEAN FRUIT FLY

Mr. Bonilla: How much funding will be devoted to each country where medfly work is being done in fiscal year 2002?

[The information follows:]

Country	CCC carryover	CCC 2002	Appropriated carryover	Appropriated 2002	Total
Guatemala	0	$8,075,186	$949,096	10,738,486	19,762,768
Mexico	0	6,056,388	316,366	3,620,999	9,993,753
U.S.	0	0	9,360,060	24,630,515	33,990,575
Total	0	14,131,574	10,625,522	38,990,000	63,747,096

Mr. Bonilla: Update the table that appears in last year's hearing record showing the total funding for Medfly work and the source of the funding.

[The information follows:]

AUTHORIZED CCC TRANSFERS* FOR MEDFLY EMERGENCY ERADICATION

Fiscal Year	California	Florida	Mexico & Guatemala
1990	$31,425,000	----	----
1991	5,710,215	----	----
1992	9,500,000	----	----
1993	25,860,000	----	----
1994	4,118,000	----	----
1995	10,300,000	----	----
1996	10,000,000	----	----
1997	----	$10,000,000	----
1998	----	6,895,000	----
1999	3,106,957	5,141,092	$13,768,700
2000	----	----	21,100,000
2001	----	----	**33,692,063
2002	----	----	14,131,574

* Amounts shown represent transfers and do not include any carryover funds; actual obligations may differ. Unused portions remain available until expended.

**This figure reflects two separate CCC transfers, one in the beginning of FY 2001 for use in 2001 and a second at the end of FY 2001 to purchase supplies for use during FY 2002.

PSEUDORABIES

Mr. Bonilla: Please update the tables in last year's hearing record showing the amounts, both federal and non-federal, that each state expended on the pseudorabies program as well as the stage each state was in to include fiscal year 2001 actuals.

Pseudorabies Expenditures

STATE	FY 2001 Actual		FY 2002 Estimate		FY 2003 Estimate	
	Federal	Non-Federal	Federal	Non-Federal	Federal	Non-Federal
Alabama.....	$18,164	$1,500	$7,149	$1,530	$7,401	$1,561
Alaska.....	1,043	0	412	0	425	0
Arizona.....	1,420	27,823	560	28,379	579	28,947
Arkansas....	6,983	0	2,756	0	2,845	0
California..	3,648	728,489	1,440	743,059	1,486	757,920
Colorado....	0	2,000	0	2,040	0	2,080
Connecticut.	1,043	8,360	412	8,527	425	8,698
Delaware....	1,315	8,500	519	8,670	536	8,843
Florida.....	6,325	0	2,496	0	2,577	0
Georgia.....	6,255	385,289	2,469	392,995	2,549	400,854

Hawaii.....	51,164	135,068	20,194	137,769	20,847	140,524
Idaho.....	2,357	8,310	930	8,476	960	8,645
Illinois....	79,514	2,772,898	31,383	2,828,356	32,398	2,884,923
Indiana.....	278,811	1,600,000	110,043	1,632,000	113,603	1,664,640
Iowa.....	6,709,403	1,480,132	2,648,116	1,509,735	2,723,776	1,539,929
Kansas.....	7,200	4,560	2,842	4,651	2,934	4,744
Kentucky....	60,443	120,644	23,856	123,057	24,628	125,518
Louisiana...	40,578	0	16,016	0	16,534	0
Maine.....	38,043	27,000	15,015	27,540	15,501	28,090
Maryland....	1,080,866	304,540	426,604	310,631	440,404	316,843
Massachusetts	4,464	25,068	1,762	25,569	1,819	26,081
Michigan....	2,041	18,240	806	18,605	832	18,978
Minnesota...	1,527,203	318,060	602,768	324,421	622,266	330,910
Mississippi.	4,791	0	1,891	0	1,952	0
Missouri....	9,412	272,988	3,715	278,448	3,835	284,016
Montana.....	1,603	11,447	633	11,676	653	11,909
Nebraska....	130,883	313,697	51,658	319,971	53,329	326,370
Nevada.....	1,275	21,871	503	22,308	520	22,754
New Hampshire	1,045	3,500	412	3,570	426	3,641
New Jersey..	18,772	15,000	7,409	15,300	7,649	15,606
New Mexico..	2,387	48,550	942	49,521	973	50,511
New York....	2,106	5,000	831	5,100	858	5,202
NorthCarolina	368,796	2,651,174	145,559	2,704,197	150,268	2,758,281
North Dakota	4,227	5,000	1,668	5,100	1,722	5,202
Ohio.....	32,659	600,000	12,890	612,000	13,307	624,240
Oklahoma....	11,857	1,339,743	4,680	1,366,538	4,831	1,393,869
Oregon.....	1,855	2,456	732	2,505	756	2,555
Pennsylvania	21,734	355,000	8,578	362,100	8,856	369,342
Rhode Island	1,043	2,000	412	2,040	425	2,080
SouthCarolina	1,952	150,000	770	153,000	795	156,060
South Dakota	5,403	0	2,132	0	2,201	0
Tennessee...	5,799	26,991	2,289	27,531	2,363	28,081
Texas.....	88,954	141,024	35,109	143,844	36,245	146,721
Utah.....	1,498	10,000	591	10,200	610	10,404
Vermont.....	1,045	9,807	412	10,003	426	10,203
Virginia....	12,668	170,293	5,000	173,699	5,162	177,172
Washington..	1,353	1,000	534	1,020	551	1,040
West Virginia	4,324	0	1,707	0	1,762	0
Wisconsin...	30,167	91,590	11,907	93,422	12,292	95,290
Wyoming.....	1,894	399,940	748	407,939	772	416,097
Washington DC	266,311	0	105,110	0	108,510	0
Puerto Rico.	1,549	0	611	0	631	0
TOTAL.....a/	10,965,645	14,624,552	4,328,000	14,917,042	4,468,000	15,215,374

a/ For FY 2001, excludes $56 million in CCC Emergency Funding and includes $7 million from the Agriculture Risk Protection Act.

States enrolled in the program and the Stage of each as of March 1, 2002, are as follows:

Stage II/III	Stage III	Stage III/IV	Stage IV	Stage V 1/
Iowa	Florida	Indiana	South Dakota	Alabama
	Louisiana	Minnesota	Tennessee	Alaska
		New Jersey	Texas	Arizona
				Arkansas
				California
				Colorado
				Connecticut
				Delaware
				Georgia

Hawaii
Idaho
Kansas
Kentucky
Maine
Maryland
Massachusetts
Michigan
Mississippi
Missouri
Montana
Nebraska
Nevada
New Hampshire
New Mexico
New York
North Carolina
North Dakota
Ohio
Oklahoma
Oregon
Pennsylvania
Puerto Rico
Rhode Island
South Carolina
US Virgin Islands
Utah
Vermont
Virginia
Washington
West Virginia
Wisconsin
Wyoming

1/ Stage V denotes disease free status.

Mr. Bonilla: When will the agency declare victory in the pseudorabies program?

Response: The Office International des Epizooties--OIE--standards require a minimum of two years with no infection before a country can declare itself free of disease. We would most likely wait an additional year beyond the minimum standard. Based on this assumption, APHIS expects to declare the U.S. free from pseudorabies in January 2005. This, of course, is contingent upon finding no newly affected herds before then.

NOXIOUS WEEDS

Mr. Bonilla: Did you discover any new noxious weed introductions in the U.S. last year?

Response: We identified an infestation of *Galega officinalis*, (goatsrue) in Niagara County, New York, in summer 2001, and an infestation of *Cuscuta japonica* (Japanese dodder) in Houston, Texas, in November 2001.

CIVIL PENALTIES

Mr. Bonilla: Have you implemented civil penalties for non-compliance of the Plant Protection Act?

Response: Yes, the civil penalties became effective January 1, 2002.

BOLL WEEVIL

Mr. Bonilla: Are there any new States that have passed boll weevil referenda or added new areas?

Response: During FY 2001, Texas passed referenda to add 1.9 million acres in the Southern High Plains/Caprock, Northern High Plains, and Southern Blacklands areas; New Mexico passed referenda to add 30,000 acres in Roosevelt and Curry counties; Missouri passed referenda to add the entire State (350,000 acres); and Arkansas passed referenda to add 120,000 acres in the Northwest Ridge. For FY 2002, the upper coastal zone around Houston, Texas, will begin with fall treatments on 270,000 acres. In addition, we expect a referendum to be approved that would add 360,000 acres in the northeast Delta portion of Arkansas.

Mr. Bonilla: Please update the table in last year's hearing record, showing boll weevil funding, to include fiscal year 2002 and estimates for 2003.

[The information follows:]

BOLL WEEVIL FUNDING
(Dollars in Thousands)

	Fiscal Year				
Region	1999	2000	2001	2002	2003
Central Eradication (AR,LA,MO,OK,TX)	$11,644	$10,335	$53,270	$63,324	$29,127
Southeast Eradication(MS,TN)	4,251	4,348	29,104	16,198	7,450
Southwest Eradication (AZ,CA,MX,NM)	628	651	456	785	302
TOTAL	$16,523	$15,334	$82,830	$80,307	$36,879

Mr. Bonilla: Please indicate which states have received boll weevil funding since 1996 and the amounts received by each.

(The information follows:)

BOLL WEEVIL PROGRAM OBLIGATIONS
(Dollars in Thousands)

State	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Alabama	$11,332	$4,315	$6,360	$90	--	--	--
Arizona	427	343	300	360	--	--	--
Arkansas	--	48	152	1,077	$1,730	$6,657	$11,590
California	9	20	24	--	--	--	--
Louisiana	--	389	1,239	1,841	2,126	6,443	5,790
Mississippi	--	166	196	3,415	2,448	23,758	11,027
Missouri	--	--	--	--	31	2,577	3,059
New Mexico	112	341	180	318	321	328	654
Oklahoma	--	--	783	676	353	3,606	1,282
Tennessee	--	--	--	691	1,237	5,346	5,171
Texas	4,978	11,683	6,843	7,914	6,942	33,987	41,603
Mexico	188	154	104	141	146	128	131
Total	$17,046	$17,459	$16,181	$16,523	$15,334	$82,830	$80,307

Mr. Bonilla: What activity has there been in the boll weevil loan program?

Response: In FY 2001, the Farm Services Agency--FSA--issued $94.6 million in low-interest loans to grower foundations to fund startup costs for new eradication programs and operating capital for existing programs. These funds were distributed as follows: $69 million to the Texas Boll Weevil Foundation; $14.1 million to the Tennessee Boll Weevil Foundation; $6.2 million to the Missouri Boll Weevil Foundation; $5 million to the Arkansas Boll Weevil Foundation; and $300,000 to the New Mexico Boll Weevil Foundation. FSA is likely to loan an additional $97 million in FY 2002, consisting of: $82.3 million to Texas, $5 million each to Arkansas and Oklahoma, $4.4 million to Missouri, and $400,000 to New Mexico. These loans have fulfilled a critical function in allowing each zone to effectively manage its cash flow. As we move into the final, less costly years of the program, though, the need for these loans will diminish dramatically.

TUBERCULOSIS

Mr. Bonilla: Is the target for eradication of bovine tuberculosis from the U.S. still the end of calendar year 2003?

Response: APHIS anticipates that there will be no herds under quarantine for tuberculosis by the end of calendar year 2003. However, we cannot declare eradication until we have a minimum of 2 years with no infection.

Mr. Bonilla: Has APHIS published final regulations regarding minimum standards for the importation of feedlot animals?

Response: Yes, APHIS published an interim rule in April 2001, which establishes minimum standards for the importation of feedlot animals. Presently, we are revising the regulations to reflect comments received during the public comment period. We expect these revised regulations to be final by mid April 2002.

Mr. Bonilla: What is the status of the tuberculosis infected dairy herds in the El Paso milkshed area?

Response: Presently, no herds are under quarantine for tuberculosis in the El Paso milkshed area. However, based on past experience, we anticipate at least one of the large dairy herds in this area to be reinfected within 3 to 5 years. For this reason, APHIS will use emergency Commodity Credit Corporation--CCC--funds to remove the high risk dairy herds in this area to create a buffer zone between the United States and Mexico. APHIS is in the process of finalizing regulations which will allow the Agency to purchase high-risk herds. Our current authority allows us to purchase only infected and/or exposed animals.

INTEGRATED SYSTEMS ACQUISITION PROJECT

Bonilla: Please provide an update of the Integrated Systems Acquisition Project activities.

Response: APHIS chose not to renew the ISAP contract with IBM at the end of FY 2001. The Agency determined that it could acquire IT products and services at lower costs by using a variety of contract vehicles, many of which are performance based. As such, we have renamed our IT initiative APHIS Information Technology Infrastructure--AITI. AITI is the hardware, software, and telecommunications infrastructure that provides employees with office automation, e-mail, Internet access, and access to mission critical applications.

During FY 2001, we maintained the Agency's information technology infrastructure via maintenance contracts that provide technical support, repairs to broken equipment, and software upgrades. We upgraded 25 office automation servers used throughout the Agency. In addition, APHIS provided technology upgrades to more than 2,300 desktop and laptop computers through a new quarterly bulk purchasing process that helps maintain standardized configurations and leverages the buying power of the Agency resulting in cost savings. APHIS acquired an enterprise license for the Microsoft Office Suite that will bring the Agency in line and enhance interoperability with the rest of the Department, other agencies, cooperators, and stakeholders.

We added approximately 100 offices to the APHIS-wide area network, providing more cost effective telecommunications and better service for offices that are increasingly relying on information technology. We secured engineering support to aid in continuing network enhancements. APHIS also completed migration to the new FTS 2001 contract for long distance voice and telecommunications services. We made security enhancements to the IT infrastructure and deployed more robust backup and recovery capacity.

We deployed another eGovernment application that allows research institutions to file electronically the annual animal use reports required under the Animal Welfare Act. This is part of the Agency's effort to implement the Government Paperwork Elimination Act.

Mr. Bonilla: Update the table that appears in last year's hearing record showing a complete breakout of the appropriated funds for the information systems acquisition project to include fiscal year 2001 actuals and fiscal years 2002 and 2003 estimates.

[The information follows:]

INFORMATION SYSTEMS ACQUISITION PROJECT FUNDS
FY 1993-2003
(Dollars in Thousands)

Fiscal Year	Funds Appropriated	Funds Spent
1993	2,507	2,099
1994.....	3,500	2,829
1995.....	3,490	553
1996.....	4,055	825
1997.....	4,000	3,211
1998.....	3,500	7,429
1999.....	3,500	6,017
2000	3,497	3,884
2001.....	998	3,045
2002 (proposed).....	1,748	2,624
2003 (proposed).....	4,602	4,602
Total	$35,397	$37,118

Note: The total amount in the funds spent column is higher than the funds appropriated due to carryover balances prior to FY 1993.

AGRICULTURAL QUARANTINE INSPECTION

Mr. Bonilla: Update the table in last year's hearing record showing the total number of staff years funded through the Agricultural Quarantine Inspection program, both the user fee program and the appropriated program, to include fiscal year 2001 actuals and fiscal year 2002 and 2003 estimates.

[The information follows:]

AGRICULTURAL QUARANTINE INSPECTION PROGRAM
STAFF YEARS

Fiscal Year	Appropriated	User fees	Total
1993	546	1,529	2,075
1994	598	1,604	2,202
1995	613	1,872	2,485
1996	613	1,970	2,583
1997	514	1,987	2,501
1998	540	2,000	2,540
1999	546	2,025	2,571
2000	549	2,018	2,567
2001	573	2,370	2,943
2002	691	2,793	3,484
2003	790	3,184	3,974

Mr. Bonilla: Also update the following table showing the amount of AQI fees collected, the amount spent, and the carryover levels.

Response: In accordance with the U.S. Treasury's interpretation of our user fee authority, AQI user fee collections and carryover amounts are recorded on a cash basis--in the year they are received. The amounts collected and the carryover levels are as follows:

Fiscal Year	Fee Collections	AQI Program Cost	Unavailable Collections	Balance
1992	96,340,546	85,922,000	--	17,306,972
1993	114,015,393	83,362,000	--	47,960,365
1994	100,848,105	98,257,160	--	50,551,310
1995	105,195,342	105,907,999	--	49,838,653
1996	104,274,333	118,607,891	--	35,505,095
1997	115,218,453	130,937,886	2,000,000	17,785,662
1998	150,804,661	140,094,753	13,829,975	14,665,595
1999	171,904,404	152,232,527	12,000,000	22,337,472
2000	234,239,087	178,991,516	13,074,000	64,511,043
2001	255,140,941	222,707,164	15,187,000	81,757,820
2002 (est)	215,000,000	269,947,096	15,187,000	20,239,904

Mr. Bonilla: Update the table in last year's hearing record showing, by airport, the resources for FTEs and funds used to reflect fiscal years 1997 through 2002.

[The information follows:]

APHIS AQI RESOURCES ($000) AND FTE'S BY AIRPORT
FY 1997-1999
(regardless of AQI fund type)

	FY 1997		FY 1998		FY 1999	
Location	Funds	FTE	Funds	FTE	Funds	FTE
Airborne Airpark, OH	$38	0.3	38	0.5	38	0.5
Albuquerque, NM	8	0.2	17	0.3	17	0.3
Anchorage, AK	505	8.7	479	7.6	586	9.3
Andrews AFB, MD	139	1.6	152	1.7	152	1.7
Atlanta, GA	2,397	43.6	2,519	46.4	2,855	51.8
Austin, TX	196	1.0	264	1.6	276	1.7

APHIS AQI RESOURCES ($000) AND FTE'S BY AIRPORT
FY 1997-1999
(regardless of AQI fund type)

	FY 1997		FY 1998		FY 1999	
Location	Funds	FTE	Funds	FTE	Funds	FTE
BWI, MD	416	5.0	456	5.2	456	5.2
Bangor, ME	173	2.3	160	2.4	160	2.4
Baton Rouge, LA	10	0.0	13	0.2	15	0.2
Billings, MT	0	0.0	1	0.0	1	0.0
Bismarck, ND	7	0.0	5	0.0	15	0.1
Bradley IA, CT	68	1.0	69	1.0	69	1.0
Brownsville, TX	115	1.8	137	2.3	149	2.6
Burlington, VT	25	0.2	24	0.1	24	0.1
Calexico, CA	0	0.0	1	0.0	1	0.0
Charlotte, NC	576	8.6	605	9.3	667	10.6
Cheyenne, WY	2	0.0	4	0.1	5	0.1
Cleveland, OH	125	1.6	125	1.5	125	1.5
Dallas, TX	1,812	29.5	1,855	29.1	2,103	36.1
Dayton, OH	62	0.5	62	0.7	62	0.7
Des Moines, IA	5	0.0	9	0.1	10	0.1
Detroit, MI	965	12.5	1,057	13.5	1,057	13.5
Dover AFB, DE	199	3.0	241	4.0	241	4.0
Dulles IA, VA	960	20.0	1,133	20.0	1,133	20.0
Eagle Pass, TX	13	0.0	7	0.0	10	0.2
El Paso, TX	175	2.4	149	2.2	182	3.3
Ft. Lauderdale, FL	1,279	15.6	1,223	15.3	1,528	18.5
Galveston, TX	4	0.0	0	0.0	2	0.0
Gen. Mitchell Fld, WI	132	1.1	82	1.3	132	1.3
Harlingen, TX	31	0.1	6	0.0	27	0.1
Hilo, HI	445	10.0	484	10.5	508	10.5
Honolulu, HI	8,217	147.9	8,781	152.5	9,300	154.5
Houston, TX	1,792	29.1	1,977	32.9	2,406	38.7
Indianapolis, IN	80	0.9	109	1.3	109	1.3
Inglewood, CA	8,243	143.6	8,660	137.8	9,373	144.8
Jefferson City, MO	398	5.1	370	5.2	373	5.5
JFK, NY	9,996	145.0	10,883	153.0	10,883	153.0
Kahului, HI	1,217	33.4	1,284	34.6	1,348	34.6
Kailua-Kona, HI	675	18.2	721	18.3	777	18.8
Lakewood, CO	234	3.3	211	3.1	241	3.6
Lanai, HI	116	2.5	124	2.5	130	2.5
Laredo, TX	85	1.2	63	0.8	52	0.7
Las Vegas, NV	103	0.5	169	1.4	198	1.9
Lihue, HI	472	11.5	462	11.5	485	11.5
Lincoln, NE	7	0.1	6	0.1	40	0.7
Little Rock, AR	16	0.2	16	0.2	22	0.4
Logan IA, MA	1,088	15.7	1,237	18.0	1,237	19.0
Louisville, KY	512	8.4	617	9.2	667	9.4
Martinsburg, WV	29	0.3	49	0.7	49	0.7
Mayaguez, PR	595	13.7	607	14.5	748	16.6
Miami, FL	12,263	218.3	13,583	228.5	14,198	243.0
Nashville, TN	523	8.2	565	9.3	571	9.4
New Orleans, LA	298	3.2	269	3.1	363	5.3
Newark, NJ	2,121	29.3	2,569	37.9	2,569	37.9
Newburgh, NY	101	2.0	105	2.0	105	2.0
Norfolk, VA	51	1.0	68	1.0	68	1.0
Oakland, CA	338	3.9	388	4.8	408	4.8
O'Hare, IL	2,579	32.7	2,727	33.3	2,727	33.3
Oklahoma City, OK	16	0.2	23	0.3	25	0.4
Orlando, FL	1,853	24.2	1,876	24.7	1,955	26.6
Pharr, TX	128	1.3	87	0.9	66	0.2
Philadelphia IA, PA	558	8.0	751	10.4	751	10.4
Phoenix, AZ	280	4.4	326	4.7	342	4.7
Pierre, SD	21	0.3	16	0.2	15	0.2
Pittsburgh, PA	300	4.3	351	5.5	351	5.5

APHIS AQI RESOURCES ($000)AND FTE'S BY AIRPORT
FY 1997-1999
(regardless of AQI fund type)

	FY 1997		FY 1998		FY 1999	
Location	Funds	FTE	Funds	FTE	Funds	FTE
Port Columbus, OH	62	0.5	62	0.7	62	0.7
Portland, OR	254	5.2	261	5.0	274	5.0
Raleigh, NC	540	8.0	459	8.2	491	8.2
Rickenbacker, OH	10	0.1	10	0.1	10	0.1
Salt Lake City, UT	98	1.6	105	1.7	110	1.7
San Antonio, TX	333	3.8	341	5.1	376	4.9
San Diego, CA	129	0.3	142	0.3	149	0.3
San Francisco, CA	3,056	54.7	3,199	57.7	3,419	59.2
San Jose, CA	233	4.2	291	5.0	306	5.0
San Juan, PR	5,556	100.8	5,804	105.4	6,279	112.2
San Luis, AZ	22	0.5	10	0.2	10	0.2
Savannah, GA	132	1.3	176	1.6	32	2.0
Seattle, WA	1,005	15.5	1,118	16.8	1,254	18.8
Spokane, WA	11	0.1	9	0.1	9	0.1
Tampa, FL	814	9.1	975	9.3	1,047	13.6
Toledo, OH	38	0.3	38	0.5	38	0.5
Topeka, KS	16	0.2	18	0.3	18	0.3
Twin Cities, MN	490	6.9	581	9.4	581	9.4
U.S. Virgin Islands	595	13.7	692	14.6	747	15.9
Wright-Patterson, OH	10	0.1	10	0.1	10	0.1
TOTAL	79,591	1,319.4	85,728	1,383.2	90,780	1,458.5

APHIS AQI RESOURCES ($000)AND FTE'S BY AIRPORT
FY 2000-2002
(regardless of AQI fund type)

	FY 2000		FY 2001		FY 2002	
Location	Funds	FTE	Funds	FTE	Funds	FTE
Airborne Airpark, OH	$38	0.5	22	0.3	25	0.3
Alabama	$0	0.0	181	3.1	149	2.0
Albany, NY- Rouses Pt	18	0.3	41	0.3	78	1.1
Albuquerque, NM	18	0.3	24	0.4	35	0.3
Anchorage, AK	635	9.8	660	12.2	791	13.6
Andrews AFB, MD	160	1.7	160	1.7	174	1.7
Atlanta, GA	2,977	54.0	3,606	70.0	4,410	82.5
Austin, TX	338	2.8	247	2.9	407	2.7
BWI, MD	456	5.2	489	7.4	737	12.7
Bangor, ME	173	2.6	390	2.9	457	4.0
Baton Rouge, LA	16	0.2	5	0.1	8	0.1
Billings, MT	1	0.0	0	0.0	5	0.1
Bismarck, ND	15	0.1	26	0.4	25	0.3
Bradley IA, CT	69	1.0	67	1.1	93	1.3
Brownsville, TX	216	3.6	207	3.3	234	3.9
Buffalo Intl, NY	216	3.6	114	0.1	5	0.1
Burlington, VT	24	0.1	35	0.1	67	0.4
Calexico, CA	1	0.0	29	0.2	39	0.1
Charlotte, NC	756	12.0	778	13.2	815	12.9
Cheyenne, WY	5	0.1	19	1.0	43	0.5
Charleston, SC	0	0.0	73		134	2.1
Cincinnati, OH	434	7.0	452	7.0	473	7.2
Cleveland, OH	125	1.5	174	2.5	200	2.7
Dallas, TX	2,238	37.4	2,578	45.2	3,270	58.7
Dayton, OH	62	0.7	65	0.7	70	0.8
Des Moines, IA	10	0.1	15	0.2	16	0.2
Detroit, MI	1,221	15.1	1,386	23.9	2,114	35.5
Dover AFB, DE	241	4.0	187	2.7	182	2.7
Dulles IA, VA	1,257	22.0	1,478	30.1	1,828	35.1
Eagle Pass, TX	73	1.2	0	0.0	4	0.1

APHIS AQI RESOURCES ($000) AND FTE'S BY AIRPORT
FY 2000-2002
(regardless of AQI fund type)

	FY 2000		FY 2001		FY 2002	
Location	Funds	FTE	Funds	FTE	Funds	FTE
El Paso, TX	189	3.3	79	1.2	242	4.4
Ft. Lauderdale, FL	2,867	30.5	3,441	38.2	4,100	49.0
Galveston, TX	2	0.0	0	0.0	1	0.0
Gen. Mitchell Fld, WI	132	1.3	176	1.6	230	2.0
Greater Rochester, NY	0	0.0	70	0.5	24	0.3
Gulfport, MS	0	0.0	67	0.2	4	0.1
Hancock Field, NY	0	0.0	82	0.5	28	0.4
Harlingen, TX	28	0.1	2	0.0	23	0.3
Hilo, HI	584	11.5	488	9.8	455	13.9
Honolulu, HI	9,905	159.5	12,060	174.0	13,015	190.3
Houston, TX	2,579	42.0	2,688	46.5	4,290	61.8
Indianapolis, IN	109	1.3	164	1.7	262	3.5
Inglewood, CA	10,122	151.8	11,727	205.9	16,109	229.2
Jefferson City, MO	386	5.5	532	8.3	795	12.6
JFK, NY	13,402	173.0	14,071	207.0	16,265	232.7
Kahului, HI	1,466	35.6	999	25.5	1,577	36.5
Kailua-Kona, HI	916	21.3	567	13.4	780	24.6
Lakewood, CO	253	3.6	255	5.3	345	6.8
Lanai, HI	137	2.5	3	0.1	0	0.0
Laredo, TX	52	0.7	16	0.3	64	1.1
Las Vegas, NV	228	2.4	333	4.0	507	7.1
Lihue, HI	504	11.5	58	1.4	203	16.7
Lincoln, NE	41	0.7	60	0.9	48	0.7
Little Rock, AR	23	0.4	16	0.3	21	0.3
Logan IA, MA	1,390	20.0	1,730	29.9	2,271	34.8
Louisville, KY	735	10.5	99	0.6	181	3.1
MacArthur Field, NY	0	0.0	150	1.6	32	0.1
Martinsburg, WV	49	0.7	19	0.2	27	0.4
Mayaguez, PR	753	16.8	803	14.4	875	14.9
Miami, FL	15,739	256.0	15,776	255.0	18,596	302.0
Nashville, TN	580	9.5	643	7.6	793	9.4
New Hampshire	124	2.0	41	0.4	67	1.0
New Orleans, LA	377	5.3	291	4.9	439	7.7
Newark, NJ	3,003	44.0	3,437	46.9	3,657	47.9
Newburgh, NY	105	2.0	145	2.1	135	1.8
Niagara Falls, NY	0	1.0	114	0.1	6	0.1
Norfolk, VA	192	3.0	56	1.5	111	2.0
Oakland, CA	428	4.8	461	8.0	943	14.5
O'Hare, IL	3,205	40.3	3,295	54.9	4,296	71.3
Oklahoma City, OK	26	0.4	18	0.3	27	0.4
Orlando, FL	2,110	28.5	2,558	33.0	3,084	38.0
Pharr, TX	66	0.2	10	0.2	76	1.0
Philadelphia IA, PA	813	11.4	1,127	18.9	1,455	22.6
Phoenix, AZ	359	4.7	484	8.3	702	9.6
Pierre, SD	15	0.2	83	0.9	65	0.8
Pittsburgh, PA	351	5.5	556	5.4	829	10.1
Port Columbus, OH	62	0.7	28	0.4	32	0.5
Portland, OR	288	5.0	217	4.2	219	3.8
Raleigh, NC	500	8.3	83	0.9	134	2.2
Richmond, VA	0	0.0	8	0.1	9	0.1
Rhode Island	0	0.0	33	0.9	22	0.3
Rickenbacker, OH	10	0.1	12	0.2	14	0.2
Salt Lake City, UT	116	1.7	202	2.4	212	2.3
San Antonio, TX	390	4.9	436	6.8	701	9.6
Sacramento, CA	168	3.0	539	9.5	842	13.5
San Diego, CA	225	1.5	191	2.3	515	7.3
San Francisco, CA	4,473	76.7	4,884	88.9	7,151	121.9
San Jose, CA	321	5.0	0	0.0	0	0.0
San Juan, PR	6,304	113.0	6,487	114.3	6,580	115.1

APHIS AQI RESOURCES ($000) AND FTE'S BY AIRPORT FY 2000-2002 (regardless of AQI fund type)						
	FY 2000		FY 2001		FY 2002	
Location	Funds	FTE	Funds	FTE	Funds	FTE
San Luis, AZ	10	0.2	8	0.2	9	0.2
Savannah, GA	0	0.0	5	0.1	6	0.1
Seattle, WA	1,397	20.8	1,886	29.0	2,264	34.9
Spokane, WA	10	0.1	7	0.0	6	0.1
South Carolina - All others	0	0.0	137	1.3	82	1.2
Tampa, FL	1,155	15.0	1,517	16.0	1,646	17.0
Toledo, OH	38	0.5	12	0.2	14	0.2
Topeka, KS	19	0.3	18	0.3	28	0.4
Twin Cities, MN	581	9.4	784	10.6	1,038	13.3
All Others MS	0	0.0	3	0.1	9	0.1
U.S. Virgin Islands	760	16.0	578	13.3	775	15.3
Watertown NY-Rouses Pt	0	0.0	4	0.1	16	0.2
Westhampton, NY ANG	0	0.0	47	0.3	16	0.2
Wilmington, NC	0	0.0	162	2.7	188	3.0
Wright-Patterson, OH	10	0.1	12	0.2	14	0.2
TOTAL	102,975	1,594.5	111,658	1,780.0	137,485	2,136.7

SUMMARY FOR HAWAII/PUERTO RICO/VIRGIN ISLANDS FROM THE ABOVE FIGURES						
	FY 2000		FY 2001		FY 2002	
Locations	Funds	FTE	Funds	FTE	Funds	FTE
Hawaii (6)	13,512	241.9	14,175	224.2	16,030	282.0
Puerto Rico (2) & U.S. Virgin Islands (1)	7,817	145.8	7,868	142.0	8,230	145.3

Mr. Bonilla: Which of the recommendations from the AQI Safeguarding Report have been implemented? Which ones have not?

Response: The National Plant Board submitted its Safeguarding Report to us with 307 recommendations. We have evaluated 227 of those, and have decided on a course of action for 157 of them. These recommendations address pest exclusion, international information, pest permits, and pest detection and response issues. Some of the recommendations have already been implemented. For example, Congress enacted the Plant Protection Act in June 2000 to consolidate authorities and increase sanctions for plant health violations. In addition, we formed the Plant Safeguarding Alliance and established five National Science Program Leaders. We identified leaders for the International Plant Protection Convention, the Invasive Species Act, and the Smuggling Interdiction and Trade Compliance Program. Our technology efforts include appointing an information technology manager, combining scientific services and staffs, and expanding digital imaging for pest identification. In addition, we revised transit guidelines, risk assessment capacities, and employer development services, and expanded user fee collection.

We made additional progress in the past year. We developed and are implementing a comprehensive training plan for employees. We installed digital imaging to support pest identification at all ports with identifiers and a number of ports that do not have identifiers. This speeds pest identification and allows for timely release of acceptable cargo. We have put a strong structure in place to establish a national pest detection system and have begun to develop the overarching approach and goals to implement a comprehensive pest detection program in cooperation with States. Also, we have increased the number of canine teams and plan to add 130 more. We have realigned our risk assessment activity to ensure that we are using the best available scientific expertise. We have successfully implemented the first phase of a national smuggling interdiction and trade compliance program. We are beginning work on market research to refine a safeguarding public

education effort that will increase compliance with our regulations and disseminate information about penalties for noncompliance. We have also completed the revisions of our civil penalties guidelines and have embarked on an intensive employee training program so the penalties can be fully implemented by the end of FY 2002.

Update the table that appears in last year's hearing record showing the fee schedule for each activity and changes that have occurred since instituting the user fee.

[The information follows:]

FY	Effective Dates	Commercial Vessel	Commer. Truck	Commer. Truck Decal	Internat'l Air Passenger	Aircraft Clearance	Loaded Rail Car
1998	10/1/97 thru 9/30/98	$454.50	$4.00	$80.00	$2.00	$59.75	$6.50
1999	10/1/98 thru 9/30/99	$454.50	$4.00	$80.00	$2.00	$59.75	$6.50
2000	10/1/99 thru 12/31/99	$461.75	$4.00	$80.00	$2.05	$60.25	$6.75
2000	1/1/00 thru 9/30/00	$465.50	$4.25	$85.00	$3.00	$64.00	$6.75
2001	10/1/00 thru 9/30/01	$474.50	$4.50	$90.00	$3.00	$64.75	$7.00
2002	10/1/01 thru 9/30/02	$480.50	$4.75	$95.00	$3.10	$65.25	$7.00

Mr. Bonilla: Do you anticipate any changes in AQI user fees?

Response: We do not anticipate any changes this fiscal year other than those already scheduled. FY 2002 is the last FY that the current AQI user fees were indexed for changes in Federal pay and normal inflation. In addition, the terrorist events of September 11 highlight the importance of the AQI inspection program. We are evaluating where additional personnel need to be stationed to perform increased inspections, to have greater cooperation with the U.S. Customs, and to perform an overall heightened degree of readiness. It may be necessary to propose AQI user fee rate changes for FY 2004 and beyond in order to fully carry out our safeguarding mission. We continue to evaluate the necessity for development of a cargo user fee but have been proceeding cautiously in order to ensure that we do not place an increased cost burden on the industry.

Mr. Bonilla: APHIS and the U.S. Army have entered into an MOU to develop an automated baggage inspection system, X-ray. What is the status of this initiative?

Response: Upon evaluating the efficacy of this project, APHIS has discontinued the initiative.

Mr. Bonilla: What is the status of the Automated Cargo System?

Response: In FY 2001, we continued the partnership with U.S. Customs Service, importers, and maritime, rail, and air cargo lines in the Automated Commercial System. The system provides electronic transmission of cargo data and entry documents to expedite processing of required data at ports of entry. Also, we continued to expand and improve an automated hold system for regulated cargo. We are consulting with and advising Customs of our needs

associated with their approximately $2 billion, 5-year "Ace" project. Customs is devoting more than $120 million to this project to align all Customs databases and communications systems involving products imported into the United States and addressed by Customs. When fully implemented, it would expand our capability to place holds and releases on air, maritime, rail, and border cargo. Also, it will provide us with quicker interface with Customs, as well as more reliable and timely information. As a result, we will able to streamline our inspection process and process cargo more quickly. Customs is operating the International Trade Data System--ITDS--project concurrent with the "Ace" Project that will also facilitate more rapid, efficient, and effective inspection. This project will provide all government agencies with a single contact point for Customs information retrieval without compromising the security of this information. APHIS will likely be the largest user of this system.

Mr. Bonilla: Give the Committee an update on the status of the new Automatic Targeting System for electronic transmission of cargo data and entry documents.

Response: In FY 2001, we continued working with Customs on the planning and administrative aspects of the Automatic Targeting System--ATS. This system, which uses artificial intelligence techniques to rank shipments for inspection, expedites tracking and enforcement of regulated commodities. At selected Customs ports, the ATS, which is in test phase, merges carrier manifest and broker entry information, filters this information through established criteria, and prioritizes the shipments for inspection based on system findings. The Automated Targeting System--ATS--in APHIS corresponds to Customs' Automated Manifest System. Pending approval of Homeland Security funds, APHIS will expedite its development to meet the need to automatically target shipments, track plant and animal products shipments, and to improve communication with FSIS. APHIS is in the procurement phase for contracts to develop ATS. We expect completion in FY 2003 and will continue enhancing the system in future years.

SCRAPIE

Mr. Bonilla: Please update the table that appears in last year's hearing record showing scrapie program spending to include fiscal year 2001 actuals and fiscal year 2002 and fiscal year 2003 estimates.
[The information follows:]

Scrapie Program Spending

ACTIVITY	FY 2001	FY 2002	FY 2003 (est.)	TOTAL
Developmental Projects.....	$0	$0	$1,500,000	$1,500,000
Other.....	3,159,756	3,263,000	21,121,000	28,043,756
TOTAL 1/.....	$3,159,756	$3,263,000	$22,621,000	$29,043,756

1/ For FY 2001 and FY 2002, APHIS will spend an additional $600,000 on developmental projects using CCC emergency funds. We consulted with Agricultural Research Service on these developmental projects, including the work on the third eyelid test and other projects. For FY 2003, APHIS is proposing to continue the emergency program begun in FY 2000 with increased appropriated funding. APHIS expects funding towards developmental projects to increase to $1,500,000.

CATTLE TICKS

Mr. Bonilla: Reinfestation of cattle tick in the U.S. is likely a result of the movement of wildlife, especially exotic game and white-tailed deer. Is there anything new to report regarding a systemic pesticide provided through pesticide-medicated baits that was being tested to solve this problem?

Response: We have not used this new technology because the original manufacturer of the medicated baits refused to support their use under the Food and Drug Administration's Minor Use Program. Since the original manufacturer let the patent expire, APHIS has been searching for another company that would be willing to produce the pesticide-medicated bait. We have not yet located another company.

WILDLIFE SERVICES

Mr. Bonilla: Your agency has cooperative agreements with all states related to wildlife services operations control work. Provide a list of the amounts of cost-share provided by each state and the federal share spent for fiscal year 2001.

Response: The following table contains the amount of net Federal appropriated funds provided to States and State cooperator funds contributed in FY 2001. The Federal dollars fund Congressional directives, human health and safety work, protection of endangered species, migratory bird work, and basic program infrastructure costs. The Federal amounts listed do not include agency support costs, program investment activities--such as management information systems and certain agreements, regional office support, and field program delivery charges--such as National Finance Center costs, directly paid at the headquarters level.

State	FY 2001 Federal	FY 2001 Cooperative
Alabama	$334,502	$200,402
Alaska	187,651	666,179
Arizona	485,347	590,440
Arkansas	256,673	267,336
California	1,466,235	4,318,816
Colorado	745,013	470,306
Connecticut	8,844	1,500
Delaware	1,822	0
District of Columbia	75	0
Florida/Puerto Rico	327,552	510,579
Georgia	648,850	151,161
Guam	173,555	2,021,067
Hawaii	439,382	1,256,747
Idaho	1,251,668	628,123
Illinois	111,033	498,068
Indiana	95,781	69,870
Iowa	18,220	34,504
Kansas	73,543	101,317
Kentucky	161,648	348,310
Louisiana	394,418	389,946
Maine	137,362	284,161
Maryland	214,334	97,446
Massachusetts	178,604	113,948
Michigan	830,043	271,998
Minnesota	239,700	62,022
Mississippi	854,591	784,943
Missouri	383,091	221,994
Montana	1,430,363	1,785,566
Nebraska	331,883	441,688
Nevada	773,891	931,310
New Hampshire	520,240	200,217
New Jersey	127,432	172,672
New Mexico	1,232,293	1,019,658
New York	858,311	414,230
North Carolina	197,103	1,248,883
North Dakota	777,549	528,793
Ohio	1,034,159	121,419
Oklahoma	746,175	1,863,786

Oregon	939,705	1,204,729
Pennsylvania	158,038	239,875
Rhode Island	3,287	4,700
South Carolina	179,865	612,018
South Dakota	321,896	1,120,104
Tennessee	161,649	721,683
Texas	4,478,608	6,701,024
Utah	935,580	1,026,649
Vermont	626,041	54,175
Virginia	348,703	962,706
Washington	547,722	1,531,117
West Virginia	2,178,464	298,332
Wisconsin	525,505	1,293,903
Wyoming	1,238,322	596,567
SUBTOTAL	$30,692,321	$39,456,987
Compatability Adjustment (pension, rent)	9,239,297	
TOTAL	$39,931,618	

Mr. Bonilla: Update the table from last year's hearing record showing the amount spent on animal damage control research, including the amount allocated to non-lethal methods development, to include fiscal year 2002.

[The information follows:]

Fiscal Year	Total Funding	Total Non-lethal	Percent
1997	$10,591,000	$7,248,000	68
1998	$10,121,032	$7,672,000	76
1999	$10,365,000	$7,827,000	75
2000	$10,357,000	$7,767,750	75
2001	$11,000,745	$8,250,559	75
2002	$12,955,000	$9,716,250	75

Mr. Bonilla: Provide a table that shows, by state, the amount that is spent on protection of threatened and endangered species activities for FY 2001.

Response: The following table contains the most recent, complete information. This table covers the period of FY 2000.

[The information follows:]

STATE	EXPENDITURE
Alaska	$126,309
Alabama	1,452
Arizona	77,112
California	623,166
Colorado	7,500
Connecticut	180
Florida	78,000
Georgia	10,410
Guam	275,800
Hawaii	318,914
Idaho	220,498
Illinois	11,000
Kansas	147
Louisiana	31,082
Massachusetts	700
Maine	500
Minnesota	249,782
Mississippi	461
Montana	57,501

North Carolina	4,781
North Dakota	280
Nebraska	4,216
New Hampshire	1,250
New Jersey	3,841
New Mexico	31,325
Nevada	23,852
Ohio	10
Oklahoma	1,060
Oregon	34,858
Puerto Rico	15,575
South Dakota	16,346
Texas	54,877
Utah	33,090
Virginia	17,415
Virgin Islands	58,046
Vermont	800
Washington	246,282
Wisconsin	11,165
Wyoming	59,958
TOTAL	$2,709,541

Mr. Bonilla: What do you plan to spend on Karnal Bunt in fiscal year 2002 compared with the previous year?

Response: In FY 2002, we plan to spend approximately $13.942 million on our Karnal Bunt program from appropriated and CCC emergency funds. Of this amount, we will use $8.817 million for compensation and $5.125 million for operations. Operations consist of surveys, testing, regulatory activities, and laboratory work. This compares to approximately $1.669 million that we spent in FY 2001 from appropriated and CCC emergency funds. Of this amount, we spent $1.548 million on operations and $122,000 on compensation

NATIONAL ANIMAL HEALTH MONITORING SYSTEM

Mr. Bonilla: Update the table that appears in last year's hearing record, showing the annual cost and the FTEs assigned for each year to the National Animal Health Monitoring System Program, to include fiscal year 2001 actuals and fiscal year 2002 and fiscal year 2003 estimates.
[The information follows:]

COST OF THE NAHMS PROGRAM ($000)		
Fiscal Year	Cost	FTE's
1998	5,356	55
1999	5,472	53
2000	5,426	53
2001	5,534	54
2002(est)	5,534	54
2003(est)	5,534	54

Mr. Bonilla: How many States are currently participating in the NAHMS Program? Do you anticipate any new States signing up during fiscal years 2002 or 2003?

Response: APHIS began collecting data for the Sheep 2001 study in the spring of 2001 in 22 States. The States of Nevada and Utah were new to the NAHMS program. APHIS will release the first report from the sheep study in April 2002. In January 2002, APHIS began collecting data in 21 States for the Dairy 2002 study. All 21 States had previously been in the NAHMS program.

APHIS has completed the first phase of data collection and will release the report in August 2002. APHIS has begun the second phase of data collection, which involves biologic samples, and will complete by early May 2002.

NATIONAL GERMPLASM QUARANTINE CENTER

Mr. Bonilla: Has the National Germplasm Quarantine Center in Beltsville, Maryland been completed? How is it being used?

Response: The National Plant Germplasm Quarantine Center--NPGQC--is in the final construction stages. The contractor is currently correcting punch list items, which once completed, will render most of the facility operational. The last work component involves redesigning and reconstructing an adequate BioSafety Level 3--BSL-3--waste treatment system to sterilize waste from the BSL-3 Laboratory and Greenhouse. This biowaste treatment system should be completed by August 2002. Only those functions requiring the biowaste treatment system will be delayed until August.

The NPGQC has several functions. NPGQC staff inspect all incoming plant germplasm used for propagation within the United States and its territories. They also identify seeds and other commercial plant propagative material held at ports for identification of prohibited pests (specifically noxious weeds) prior to entry into the United States. The new construction includes a BSL-3 high containment greenhouse and laboratory that will enable APHIS to adapt, validate, verify, and implement existing and new research for detection and differentiation of exotic/high consequence plant pathogens or invasive species at ports of entry, offshore, and in support of emergency programs.

When the NPGQC is fully operational, the expeditious movement of plant germplasm through the quarantine process will provide faster service to industry, government, and educational institutions and help curtail the illegal entry of propagative plant materials into the United States.

PLUM ISLAND ANIMAL DISEASE CENTER

Mr. Bonilla: Update the long-term modernization plan for work at the Plum Island Animal Disease Center in New York.

Response: In 1994, APHIS and ARS signed a new Memorandum of Understanding--MOU--to replace the 1983 MOU. The new MOU provided a revised distribution method for mutual support costs based on an allocated space ratio. The ratio was 61 percent ARS and 39 percent APHIS.

Since then, the two agencies have requested funding for modernization at $11.4 million per year--$3.2 million for APHIS and $8.2 million for ARS. However, actual appropriations have not always matched the request.

The following table reflects projects scheduled to take place through FY 2003.

Fiscal Year	Project	Cost ($000)
FY 2002	1.) Motorpool/Firehouse/Quarters Relocation - Consolidate and relocate the existing motorpool, firehouse, and quarters from the old administrative area to the laboratory complex. Includes helicopter pad.	2,000
	2.) Miscellaneous Projects - Repairs of harbors and roads.	1,000
	Total	$3,000
FY 2003	1.) Miscellaneous Projects - HVAC renovations and modernization support.	2,000
	2.) Animal Facilities Repairs and Improvements	1,200

Total	$3,200

Mr. Bonilla: What will the Department of Defense allocate to APHIS in fiscal year 2002 for the brown tree snake control program?

Response: The Department of Defense--DOD--allocated approximately $1 million in FY 2002 to help fund the brown tree snake program in Guam. APHIS continues to direct this cooperative program to prevent the inadvertent introduction of the BTS from Guam to other Pacific Islands, Hawaii, and the U.S. mainland. We have trained 14 Jack Russell terriers to detect snakes in outbound military and civilian cargo at transportation facilities. Our wildlife specialists also use traps, glue boards, barriers, nighttime fence-line searches with spotlights, habitat modification, and prey-based removal to control the BTS. To keep BTS out of Hawaii, we established a protocol for responding to snake sightings in Hawaii and have provided airport facilities in Hawaii with traps and equipment as part of BTS contingency plans.

In addition, the DOD Legacy Program is considering providing $248,850 to APHIS' Wildlife Services National Wildlife Research Center for the development of toxicants and fumigants for BTS, as well as for the registration of control chemicals. They also may consider providing an additional $240,377 to conduct research in reproductive inhibitor methods.

OUTBREAKS OF PESTS AND DISEASES

Mr. Bonilla: Describe what has happened during the past year in terms of serious outbreaks of pests and diseases. What resources did you expend on each?

[The information follows:]

Avian Influenza: In FY 2001, the Agency released $925,588 from the contingency fund to conduct activities to control Avian Influenza (AI) in live-poultry markets in New York, New Jersey, and Pennsylvania. Retail markets in these States have experienced recurring outbreaks of AI despite increased flock surveillance and testing. APHIS and State officials had planned to conduct an epidemiology study, education campaign, and a 3-day closure of those retail markets and wholesale facilities that test positive for avian influenza. Of the $925,588 released, APHIS spent $71,662, leaving a balance of $853,926 to carry forward into FY 2002.

Bovine Spongiform Encephalopathy: At the end of FY 2001, the Agency released $985,515 from the contingency fund to enhance BSE surveillance in high risk cattle populations. Specifically, APHIS would use the funds to collect and test up to 5,000 brain samples from suspicious cattle at slaughter plants, on farms, and at rendering plants. Because these funds were released so late in the fiscal year, APHIS will forward the majority of these funds into FY 2002 to continue enhanced BSE surveillance.

Chronic Wasting Disease: In FY 2000, the Agency released $183,000 from the contingency fund for CWD activities. Of this amount, APHIS used $84,348 in FY 2000 and carried forward $98,652 into FY 2001. In FY 2001, APHIS used these funds on surveillance, program development, and developmental projects. The Agency's NVSL tested samples from 1,920 farmed and 1,074 free-ranging cervids. APHIS also produced a final draft of the proposed USDA CWD Program for Captive Elk. In addition, program officials initiated a developmental project to study the potential genetic resistance of farmed elk with the LL prion genotype to infection with the CWD agent. In support of this developmental project, APHIS prepared NVSL to receive the elk, transported the animals to NVSL, and inoculated them with brain material from CWD positive elk. APHIS also used the funds to support of a developmental project to study the susceptibility of fallow deer to the CWD agent.

At the end of FY 2001, the Agency released an additional $200,000 to continue surveillance and diagnostic testing in farmed cervids, and to support several developmental projects. The projects included a susceptibility study of fallow deer to CWD and a study on the potential genetic resistance of LL

genotype elk. Because these funds were released so late in the fiscal year, the Agency will forward the majority of these funds into FY 2002.

Disposal of Cattle Condemned at Slaughter for Neurological Disease: In FY 2001, the Agency released $71,000 from the contingency fund to dispose of cattle, some of which were of European origin, condemned at slaughter for neurological diseases. In addition, we used $30,522 from carryover funds from a previous release for similar activities. As part of the BSE surveillance program in the United States, APHIS and the Food Safety and Inspection Service sample animals that display neurological disease when presented for slaughter. We prohibit these animals from entering the human food chain and discourage having them enter the animal food chain through rendering.

Grasshopper: APHIS used $300,000 from the contingency fund in FY 2001 to survey grasshopper and Mormon cricket populations and provide technical assistance under the Grasshopper Crop Protection Program in 12 Western States, as follows: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. Survey efforts located hatching grasshoppers and Mormon crickets in the Spring and adults later in the summer. This advance information was necessary for APHIS to predict in a timely manner the need for treatments on Federal lands for the Crop Protection Program. Traditionally, APHIS has provided all grasshopper and Mormon cricket survey and treatment on Federal lands, and has shared treatment costs on State and private lands. However, we have not received an appropriation for this program since FY 1993. Since then, Congress directed that we carry out activities using remaining grasshopper reserve funds, which were depleted in FY 1999. All treatments conducted by APHIS on Federal lands in FY 2001 were requested and funded by a Federal land management agency. These occurred in four States: Idaho, Nevada, Utah, and Washington. We provided technical assistance to State and private landowners who conducted treatments in Idaho, Oregon, Utah, Washington, and Wyoming.

Heartwater: Heartwater of cattle and small ruminants is one of the most important tick-borne diseases in Africa, and is becoming an increasingly serious threat to the livestock and deer populations of the United States. In FY 2001, APHIS released $433,419 from the contingency fund to purchase 71 Senepol beef cattle that were under quarantine in southern Florida for diagnostic purposes. The cattle were moved from St. Croix, Virgin Islands, to Florida in August 2000. The Florida Department of Agriculture and Consumer Services ordered that the cattle be tested for Cowdria ruminantium, the etiologic agent of heartwater. Of the 71 cattle, 54 tested positive. However, there was considerable inconsistency regarding the results. Due to the uncertainty of the results, APHIS purchased the cattle for diagnostic purposes and depopulation.

Skunk Rabies: APHIS used $62,500 from contingency funds to address a bat strain of rabies in skunks in the Flagstaff, Arizona area. The human health and wildlife community, pet owners, and livestock industry were concerned about the additional human and animal health risks. State officials have not documented cases of terrestrial rabies in northern Arizona since the 1960s; this is the first time they documented striped skunks transmitted the bat variant of rabies. Federal, State, and local agencies are working in concert to unravel mysteries associated with this new variant to avoid an emerging health crisis. APHIS personnel trapped, vaccinated, and released skunks to build herd immunity and to eliminate rabies in the Flagstaff area. During May and June 2001, APHIS personnel captured 174 skunks (170 striped skunks, 4 hooded skunks) and: euthanized 19 striped skunks for testing by the Arizona Department of Health Services and the Center for Disease Control; vaccinated 112 skunks; and, recaptured 43 skunks. In addition, we vaccinated two gray foxes and two raccoons. Specific objectives of our efforts included: collecting potentially rabid skunks to determine if the bat variant of rabies was continuing to spread; vaccinating striped skunks and other carnivores to build herd immunity and eliminate terrestrial rabies from the Flagstaff area; and, documenting the population dynamics of skunks in the Flagstaff area to determine the potential effectiveness of vaccination and the how outbreak could spread due to the skunk population in the area.

West Indian Fruit Fly: In FY 2001, APHIS used $234,000 from the contingency fund to participate in a cooperative WIFF eradication program with the Texas Department of Agriculture--TDA--in the LRGV of southwestern Texas.

From mid-August 2000 to early December 2000, 10 detections of adult WIFF were made along or near the Mexican border in southeastern Texas. The WIFF renders commercial and homegrown produce inedible because the larvae tunnel through the fleshy part of the fruit, damaging the fruit and subjecting it to decay from bacteria and fungi. Because of its potential for damage, this infestation represented a serious threat to the agriculture and environment of Texas and other States. To eradicate this infestation, APHIS and the TDA began an eradication program in October 2000 in the LRGV. This program used a combination of control methods, based on site-specific requirements that consider program efficacy and environmental concerns. These methods included chemical control (aerial and/or ground insecticide baits, and community fumigations), physical control (fruit removal and destruction, orchard destruction, cold treatment of commodities, high temperature forced air treatments of commodities, vapor heat treatment of commodities, and irradiation of commodities), cultural controls, and quarantines that regulate the movement of commodities. APHIS' immediate response to this infestation prevented any spread of the fly further north into Texas and allowed eradication of the infestation by August 2001.

West Nile Virus: The human health community and livestock industry have been very concerned about the identification of West Nile virus--WNV--in the eastern U.S. Prior to September 1999, they had never documented this disease on the North American Continent. In 2001, officials documented WNV cases in more than 26 States (primarily through wild bird surveillance), representing a significant geographic expansion of the disease compared with the previous two years. This spread has had a major impact and continued threat to humans, horses, and birds. APHIS recognizes the presence of WNV as an emerging health and agricultural crisis; Federal, State, and local agencies are working in concert to unravel mysteries associated with this disease.

In FY 2001, APHIS used approximately $245,000 in contingency funds to participate in a national surveillance system, conduct new diagnostic tests, produce diagnostic reagents for State veterinary diagnostic laboratories, conduct surveillance in migratory birds, and perform more epidemiologic studies on WNV to support work in 19 eastern States where officials have documented WNV.

From January 2001 to the end of November 2001, officials reported 416 cases of clinical WNV infection in horses from 19 States. Of the 416 animals, at least 70 died or were euthanatized. These 70 animals were located in Connecticut (4); Delaware (1); Florida (32); Georgia (5); Illinois (1); Indiana (1); Kentucky (1); Louisiana (3); Massachusetts (1); Maryland (1); Mississippi (3); New Jersey (8); New York (2); North Carolina (1); Pennsylvania (4); Tennessee (1); and Virginia (1).

In FY 2001, the Agency's National Veterinary Services Laboratories--NVSL--participated in the West Nile Review at the Centers for Disease Control and in planning activities for surveillance of WNV in zoos. NVSL tested over 3,500 tissue or serum samples during FY 2001. In addition, NVSL developed a nested Polymerase Chain Reaction assay, a more sensitive molecular technique to better detect WNV in horses.

Documenting wild bird mortality remains the most sensitive and practical method for detecting WNV. Both State and local health departments depend on dead bird reports and testing of dead birds for surveillance to protect the public health. Officials have documented the disease in more than 80 species of birds--60 free-ranging species--from 25 States, the District of Columbia, and Ontario, Canada. American crows, fish crows, and blue jays appear to be the most susceptible to WNV resulting in death, thereby making these important sentinel species for early detection of the disease. In 2001, officials reported 3,996 crows and 1,437 other birds with WNV infection in 25 States.

APHIS has coordinated all program activities closely with State Departments of Health, Agriculture, and Natural Resources. Other important cooperators include County Health Departments, the Southeastern Cooperative Wildlife Disease Study, a number of Universities, and the U.S. Geological Survey's National Wildlife Health Center--NWHC. Specific objectives of our efforts have varied between the States, depending upon needs of our partners in the respective States. Our primary objective, based on request for assistance from other Agencies, is to compliment and supplement ongoing WNV surveillance activities focusing on the collection of wild birds to provide

blood and/or whole body samples for WNV testing, surveillance, and research. In some States, such as Alabama, Vermont, and New Hampshire, we coordinated the majority of WNV surveillance activities on behalf of cooperating State agencies. APHIS undertook a wide range of activities to support State efforts, including: 1) enhancing local surveillance efforts by collecting dead birds for WNV testing to determine presence and geographic distribution of WNV; 2) collecting blood samples from various wild birds to assist ongoing studies to document what species WNV has infected and potential reservoirs for this disease; 3) initiating a toll-free hotline program to enhance dead bird reporting and testing in New York and Vermont; 4) assisting NWHC in ongoing studies to determine the role migratory birds play in the spread of WNV; the role bats play in the over wintering of the disease; and the virus cycle in crows; 5) initiating studies in six States to determine the role non-native pest birds--e.g., starlings, pigeons, house sparrows--, as well as Norway rats and house mice, play in facilitating the spread of WNV in horses. APHIS provided technical assistance and/or was directly involved in bird and mammal collection in the following 21 States in 2001: Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Michigan, Wisconsin, Ohio, Illinois, Maryland, Virginia, North Carolina, South Carolina, Alabama, Georgia, Louisiana, and Florida.

EMERGENCY AUTHORITY

Mr. Bonilla: How was your emergency authority used in fiscal year 2001? How much did you use for each incidence and was it all transferred from CCC?

Response: The Secretary used her emergency transfer authority, in all cases transferring funds from CCC, in FY 2001 for the following programs.

EMERGENCY TRANSFERS, FY 2001

	FY 2001 Carryover	Approved for CCC release in FY 2001	FY 2001 Obligations	Authority Carried Over
Asian Longhorned Beetle	$1,464,064	$49,598,351	$33,041,809	$18,020,606
Belgian Sheep	1,735,745	1,574,198	1,128,232	2,181,711
Bovine Tuberculosis	0	60,123,958	8,462,132	51,661,826
Citrus Canker	31,310,171	117,446,506	108,078,295	40,678,382
Chronic Wasting Disease	0	2,645,196	26,510	2,618,686
Karnal Bunt	3,072,730	7,323,322	1,566,169	8,829,883
Fruit Fly	3,342,683	33,638,026	36,980,709	0
Pierce's Disease	12,167,188	0	8,762,488	3,404,700
Plum Pox Virus	14,403,835	2,112,116	14,666,254	1,849,697
Pseudorabies	7,274,417	56,159,892	16,474,671	46,959,638
Rabies	0	4,200,206	3,947,077	253,129
Scrapie	8,872,939	0	2,108,228	6,764,711
Total	$83,643,772	$334,821,771	$235,242,574	$183,222,969

* Of the amount released in FY 2001 for ALB, $2,600,000 was transferred to Forest Service.

Mr. Bonilla: Update the table that appears in last year's hearing record showing a breakout of the number of emergencies that occurred, as well as the amount of both agency and CCC funds that were used to combat the emergency to include fiscal year 2001 actuals and fiscal year 2002 estimates.

[The information follows:]

Animal and Plant Health Inspection Service
Emergency Program Funding
(dollars in thousands)

Fiscal Year	Emergency	Agency Funds	CCC Funds
1987	Africanized honeybee	$1,750	--
	Avian influenza	740	--
	Black parlatoria scale	300	--
	Citrus canker	1,800	--
	Gypsy moth	145	--
	Exotic newcastle	605	--
	Medfly	2,070	--
1988	Africanized honeybee	$1,550	--
	Medfly	868	--
	Melon fly	313	--
	Peach fruit fly	567	--
	Salmonella enteritidis	520	--
	Varroa mite	1,162	--
1989	Boll weevil	--	$6,200
	Exotic newcastle	$405	--
	Exotic ticks (ostrich)	275	--
	Medfly	3,045	--
	Tuberculosis	410	--
1990	Africanized honeybee	$397	--
	Agricultural quarantine inspection	270	--
	Gypsy moth	541	--
	Medfly	--	$29,842
	Salmonella enteritidis	--	2,880
	Scrapie	505	--
	Tuberculosis	1,208	--
1991	United Kingdom Cattle Monitoring	$487	--
	Chrysanthemum white rust	170	--
	Gypsy moth	572	--
	Exotic newcastle	189	--
	Potato virus Y	516	--
	Medfly	--	$5,901
	Salmonella enteritidis	--	3,538
	Tuberculosis	1,202	--
1992	Asian Gypsy Moth	--	$8,880
	Gypsy moth	$580	--
	Medfly	--	8,750
	Potato virus Y	1,311	--
	Salmonella enteritidis	2,460	297
	Screwworm	825	--
	Sweetpotato whitefly	298	--

1993	Avian influenza	$780	--
	Chrysanthemum white rust	402	--
	Gypsy moth	729	--
	Medfly	--	$16,094
	Potato virus Y	752	--
	Pine Shoot Beetle	635	--
	Salmonella enteritidis	166	117
	Scrapie	1,920	--
	Screwworm	1,575	--
	Tuberculosis	602	--
1994	Asian Gypsy Moth	--	$3,439
	Canine rabies	$474	--
	Chrysanthemum white rust	282	--
	E. coli O157:H7	697	--
	Gypsy Moth	506	--
	Medfly	--	15,966
	Pine Shoot Beetle	449	--
	Tropical bont tick	350	--
1995	Asian Gypsy Moth	$3,000	$1,841
	Canine rabies	1,319	--
	Gypsy Moth	986	--
	Medfly	3,000*	10,711
	Pine Shoot Beetle	892	--
	Tuberculosis	30	--
	Vesicular Stomatitis	720	--
1996	Asian Gypsy Moth/Gypsy Moth	$2,045	--
	United Kingdom Cattle Monitoring	151	--
	Citrus Canker	1,616	--
	Karnal bunt	--	$24,322
	Medfly	--	8,723
	Mexican fruit fly	761	--
	Pine Shoot Beetle	269	--
	1996 Summer Olympics	429	--
	Tuberculosis in Cervidae	54	--
	Vesicular stomatitis	134	--
1997	Asian Gypsy Moth/Gypsy Moth	$1,247	--
	Asian long-horned beetle	849	--
	United Kingdom Cattle Monitoring	11	--
	Citrus Canker	2,983	--
	Karnal bunt	--	$22,878
	Medfly	--	7,656
	Pine shoot beetle	239	--
	Tuberculosis in Cervidae	150	--
1998	Asian gypsy moth	$432	--
	Asian long-horned beetle	1,630	--
	United Kingdom Cattle Monitoring	90	--
	Citrus Canker	760	--
	Gypsy Moth	679	--
	Karnal bunt	--	$18,668
	Medfly	--	5,622
	Mexican fruit fly/Oriental fruit fly	655	--
	Pink Hibiscus Mealybug	75	--

	Tuberculosis in Cervidae	250	--
	Vesicular Stomatitis	152	--
	Wolf Damage Control	133	--
1999	Asian Gypsy Moth	$128	--
	Asian long-horned beetle	--	$5,104
	Brown Tree Snake	265	--
	Brucellosis in Bison	2,000	--
	Bovine Tuberculosis in Free-ranging Deer	914	--
	Cervidae Tuberculosis	36	--
	Chronic Wasting Disease	27	--
	Citrus Canker	--	19,710
	Classical Swine Fever	--	982
	Neurological Disease	2	--
	European Gypsy Moth	490	--
	Grasshopper and Mormon cricket	430	--
	Imported sheep from Belgium	24	--
	Karnal Bunt	--	2,433
	Medfly	--	12,425
	Olive fruit fly	429	--
	Pink Hibiscus Mealybug	137	--
	Pseudorabies	--	77,476
	Raccoon rabies in OH and VT	150	--
	Vesicular Stomatitis	8	--
	Wolf Damage Control	175	--
2000	Asian Gypsy Moth	$315	--
	Asian Longhorned Beetle	--	$11,461*
	Belgian Sheep	--	346
	Bovine spongiform Enchephalopathy	4	--
	Brucellosis	300	--
	Chronic Wasting Disease	84	--
	Citrus Canker	--	80,875
	Classical Swine Fever	--	2,504
	European Gypsy Moth	541	--
	Fruit Fly	--	31,424
	Giant Salvinia	187	--
	GWS/Pierce's Disease	360	14,857
	Grasshopper and Mormon cricket	571	--
	Karnal Bunt	--	1,123
	Noxious Weeds	101	--
	Olive Fruit Fly	334	--
	Pink Hibiscus Mealybug	418	--
	Plum Pox Virus	--	2,305
	Pseudorabies	--	34,887
	Scrapie	--	1,042
	Tuberculosis	300	--
	Tuberculosis in Cervidae	46	--
	Vesicular Stomatitis	1	--
	West Nile Virus	387	--
2001	Asian Gypsy Moth	$339	--
	Avian Influenza	926	--
	Asian Longhorned Beetle	--	$49,598**
	Belgian Sheep	--	1,574
	Bovine Spongiform Encephalopathy	986	--
	Bovine Tuberculosis	--	60,124

	Chronic Wasting Disease	299	2,645
	Citrus Canker	--	117,447
	European Gypsy Moth	610	--
	German Cattle	145	--
	Grasshopper	300	--
	Heartwater	433	--
	Karnal Bunt	--	7,323
	Mediterranean Fruit Fly	--	33,638
	Orobanche Minor	410	--
	Plum Pox Virus	--	2,112
	Pseudorabies	--	56,160
	Rabies	63	--
	Skunk Rabies	--	4,200
	West Indian Fruit Fly	300	--
	West Nile Virus	540	--
2002 est.	Asian Gypsy Moth	$281	--
	Avian Influenza	854	--
	Bovine Spongiform Encephalopathy	943	--
	Chronic Wasting Disease	143	$12,176
	Citrus Longhorned Beetle	750	--
	European Gypsy Moth	599	--
	Infectious Salmon Anemia	--	8,292
	Mediterranean Fruit Fly	--	14,132
	Sudden Oak Death	900	--
	Tropical Bont Tick	104	--
	West Nile Virus	627	--
	World Trade Center Disaster Efforts	225	--

* Of this amount, $1,450,000 was transferred to the FS.
** Of this amount, $2,600,000 was transferred to FS.

TROPICAL BONT TICK

Mr. Bonilla: Please provide the Committee with an updated status report of the joint project with the Foreign Agricultural Organization, the Inter-American Institute for Cooperation on Agriculture, and the Caribbean Community to eradicate the tropical bont tick from the Caribbean Islands.

Response: The Regional Caribbean Amblyomma Program--CAP--consists of the Food and Agriculture Organization of the United Nations, the Caribbean Community and Common Market--CARICOM--, the USDA, the European Union--EU-CARIFORUM--, and the English speaking countries of the Caribbean that either have been infested with the Tropical Bont Tick--TBT--or are at risk of becoming infested. The Inter-American Institute for Cooperation on Agriculture withdrew from the program.

The program is in the final years of technical eradication on the three remaining TBT-infested English speaking islands. It will continue post-eradication treatment of hotspots and surveillance for an additional two years until eradication is completed on the French speaking islands and on the remaining English-speaking island of Antigua. French-speaking islands have been less successful and have only last year begun to tailor their program to the CAP. Four of the nine CAP islands- St. Kitts, St. Lucia, Anguilla, and Montserrat--have been declared provisionally free of TBT. They will continue, however, monitoring and surveillance efforts to allow early detection of possible TBT reinfestation. The program has also eliminated reproducing populations on Dominica and Barbados. These two will likely meet criteria to be provisionally free by the end of 2002. In 2002 the program will focus on those that have not achieved provisional freedom and on continuing that surveillance. Although we eliminated reproducing populations, occasional hotspots appear, most likely due to transportation of immature ticks by cattle

egrets flying between infested and non-infested islands. These hotspots are characterized by a single tick being found on a host animal in a single herd. By contrast, a reproducing population would be characterized by the presence of larvae, nymphs, and adult stages of both males and females on several animals in a herd.

The program has successfully built an infrastructure for livestock health information. Each participating country has a computerized database identifying both livestock and livestock owners. Countries' animal health personnel now interact with each other, whereas prior to this program, they acted independently. We now have information on potential livestock diseases moving up the Caribbean pathway.

Mr. Bonilla: Also, update the table that appears in last year's hearing record showing the funding levels provided to the project by organization.

Response: Information on the funding levels for the program follows. The chart reflects updates to the program and breaks out the donors more thoroughly.

Organization	Amount
U.S. Department of Agriculture/APHIS	$5,300,000
Food and Agriculture Organization--FAO	290,000
Inter-American Institute for Cooperation on Agriculture--IICA	140,000
Caribbean Community (Caricom)	1,220,000
European Union/CAP	3,300,000
International Fund for Agricultural Development	1,095,000
European Union/France *	17,000,000
Total Pledged	28,345,000

*This is the French West Indies program, and it is independent of the FAO-led CAP effort.

Mr. Bonilla: Through your international program, APHIS maintains a presence in countries that are significant agricultural trading partners. A. For the record, please provide a list of all countries where APHIS has personnel, the number of employees in that country, and a brief description of the work conducted in that country.

OVERSEAS LOCATIONS

FOREIGN PROGRAM LOCATIONS, PERSONNEL, AND ACTIVITIES

Country	U.S. Personnel	Programs
Argentina	1	Preclearance, Trade Issue Resolution and Management (TIRM)
Bolivia	1	Foreign Animal Diseases/Foot-and-Mouth Disease (FAD/FMD)
Brazil	2	TIRM, FAD/FMD, Preclearance, Pest Detection

Chile	2	Regional office, Preclearance, TIRM
Colombia	1	FAD/FMD, TIRM
Australia	1	TIRM, FAD/FMD
China	1	TIRM, emphasis on plant trade issues, FAD/FMD
Japan	2	Regional office, TIRM, emphasis on trade dispute resolution and harmonization of phytosanitary requirements, FAD/FMD
Korea	1	TIRM, emphasis on plant trade issues, FAD/FMD
Austria	2	TIRM, FAD/FMD
Belgium	3	Regional office, TIRM, emphasis on European Union trade issues, FAD/FMD
Germany	1	Military Preclearance
Netherlands	1	Bulb preclearance
South Africa	1	TIRM, Preclearance, FAD/FMD
Canada	3	Passenger preclearance, TIRM
Costa Rica	2	TIRM, Screwworm, preclearance
Guatemala	5	Medfly rearing facility, Fruit Fly Exclusion and Detection, Sanitary/Phytosanitary Management, FAD/FMD, technical cooperation, preclearance.
Mexico	16	Regional office, Screwworm rearing facility, TIRM, Fruit Fly Exclusion and Detection, Boll Weevil, FMD diagnostic laboratory, preclearance, Agricultural Quarantine Inspection, Emerging Plant pests, Technical cooperation
Nicaragua	1	Screwworm, TIRM
Panama	6	Regional office, Screwworm, FMD commission, TIRM
Dominican Republic	3	Tropical Bont Tick, Pest Detection, Passenger predeparture inspection program (AQI User Fees), FAD/FMD
Haiti	1	Preclearance
Jamaica	2	Preclearance, Screwworm
Bahamas	2	Passenger preclearance
Bermuda	1	Passenger preclearance
Aruba	1	Passenger preclearance

Mr. Bonilla: Were any countries added or deleted in fiscal year 2001?

Response: No countries were added or deleted in Fiscal Year 2001.

FEDERAL/NON-FEDERAL DOLLARS

Mr. Bonilla: Update the table that appears in last year's hearing record showing a breakout of all Federal and non-Federal dollars for all APHIS programs to include fiscal year 2001.

[The information follows:]

APHIS Budget
(dollars in thousands)

Line-item	FY 2001 Federal	FY 2001 Non-Federal
PEST & DISEASE EXCLUSION:		
AQI: Appropriated	48,100	663
User fees	84,813	--
Cattle ticks	6,065	1,538
FMD/Emerging Foreign Animal Diseases	4,175	1,650
Fruit fly exclusion and detection	32,795	19,374
Import/Export	7,779	--
Screwworm	24,420	2,110
Trade Issues Resolution Management	8,918	--
Tropical bont tick	440	--
Subtotal, Pest and Disease Exclusion	217,505	25,325
PLANT ANIMAL HEALTH MONITORING:		
Animal health monitoring & surveillance	75,433	78,631
Animal and Plant Regulatory Enforcement	7,453	--
Emergency Management System	5,629	--
Pest detection	7,484	12,849
Subtotal, Plant and Animal Health Monitoring	95,999	91,480
PEST & DISEASE MANAGEMENT:		
Aquaculture	982	333
Biocontrol	8,020	1,423
Boll weevil	82,830	137,056
Brucellosis eradication	10,418	74,861
Emerging plant pests	22,317	768
Golden nematode	646	58
Gypsy moth	4,982	1,594
Imported fire ant	2,228	1,976
Noxious weeds	1,038	268
Pink bollworm	1,623	5,070
Pseudorabies	10,966	14,625
Scrapie	3,160	1,338
Tuberculosis	11,591	20,326
Wildlife Services - Operations	39,932	39,457
Witchweed	1,632	5
Subtotal, Pest and Disease Management	202,363	299,158

ANIMAL CARE:		
Animal welfare	13,321	--
Horse protection	429	--
Subtotal, Animal Care	13,750	--
SCIENTIFIC AND TECHNICAL SERVICES:		
Biotechnology/environmental protection	11,251	--
Integrated systems acquisition project	3,045	--
Plant methods development laboratories	6,668	--
Veterinary biologics	11,801	--
Veterinary diagnostics:	19,184	--
Wildlife Services methods development	11,953	1,195
Subtotal, Scientific and Technical Services	63,903	1,195
Contingency fund	2,882	--
CCC transfers	334,822	4,517
Advances and Reimbursements:		
Federal	21,949	--
Non-Federal	--	57,698
Trust Funds	9,000	--
Total, Available or Estimate	962,173	479,373

PINK BOLLWORM

Mr. Bonilla: Please update the table that appears in last year's hearing record, showing the amount of funds provided by cotton producers to operate the pink bollworm facility, to include fiscal year 2001.

[The information follows:]

PRODUCER CONTRIBUTIONS TO OPERATE THE PINK BOLLWORM REARING FACILITY
(Dollars in Thousands)

FISCAL YEAR	CONTRIBUTIONS
1994	$1,980
1995	$2,150
1996	$2,300
1997	$1,855
1998	$2,287
1999	$2,137
2000	$2,250
2001	$2,156

CONTINGENCY FUND

Mr. Bonilla: What is the current status of the APHIS Contingency Fund?
[The information follows:]

2001 Carryover	$3,025,174
2002 Total Available	$7,121,174
FY 2002 Releases:	
Avian Influenza	$853,926
Bovine Spongiform Encephalopathy	943,298
Chronic Wasting Disease	142,799
West Nile Virus	140,000
WTC Response Disaster Efforts	225,000
Balance Available As Of 4/9/02	$4,816,151

Mr. Bonilla: Please update the table that appears in last year's hearing record, listing all funding expenditures from the Contingency Fund, to include fiscal year 2001 actuals and fiscal year 2002 estimates.
[The information follows:]

CONTINGENCY FUND		
Program	FY 2001 Actual Obligations	FY 2002 Estimated Obligations
Asian Gypsy Moth	$288,651	$--
Avian Influenza	71,662	853,926
Bovine Spongiform Ecephalopathy	3,650	943,298
Chronic Wasting Disease	155,853	142,799
European Gypsy Moth	559,240	--
German Cattle	101,522	--
Grasshopper	246,813	--
Heartwater	314,036	--
Orobanche Minor	400,475	--
Skunk Rabies	62,500	--
West Indian Fruit Fly	234,501	--
West Nile Virus	244,723	140,000
WTC Response Disaster Efforts	--	225,000
Total	$2,683,626	$2,305,023

ANIMAL IMPORT CENTERS

Mr. Bonilla: Please update the table that appears in last year's hearing volume that shows the number of days occupied and the operating costs and revenues collected for each of the Animal Import Centers to include fiscal year 2001.
[The information follows:]

NUMBER OF DAYS OCCUPIED FY 1997-2001					
AIC	1997	1998	1999	2000	2001
Newburgh	365	365	365	365	365

Miami	365	365	365	365	365
Hawaii *	272	0	0	0	0
H S Truman **	240	240	120	0	0

* Hawaii Animal Import Center (AIC) closed in June 1997.
** H S Truman AIC closed at the end of FY 1999.

Annual operating costs and the revenue over the last 5 years for each AIC are shown in the following table:

AIC OPERATING COSTS & REVENUE FY 1998-2001 ($000)								
	FY 1998		FY 1999		FY 2000		FY 2001	
Facility	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue
Newburgh	$1,802	$2,260	$1,966	$2,642	$2,421	$2,755	$3,480	$3,706
Miami	1,308	883	1,391	1,606	1,605	1,504	2,022	1,870
Hawaii	0	0	0	0	0	0	0	0
Truman	1,532	1,195	1,072	806	0	0	0	0
TOTAL	$4,342	$4,388	$4,429	$5,054	$4,026	$4,259	$5,502	$5,576

SILVERLEAF WHITEFLY

Mr. Bonilla: What silverleaf whitefly activities are you conducting during fiscal year 2002?

Response: APHIS continues to maintain and mass-rear non-indigenous parasitoids of silverleaf whitefly--SLW--for field release, employing both classical and augmentative biological control release strategies. We supplied *Eretmocerus* parasitoids to collaborators for classical biological control and to evaluate augmentative releases. In addition, we supplied *Encarsia formosa* and *Serangium parcesetosum* to support greenhouse evaluations for controlling SLW on poinsettia. A rapid identification process, RAPD-PCR, helped the program identify SLW parasitoids precisely, cost efficiently, and rapidly. We also progressed with the development of a DNA/ELISA kit to identify parasitoids in laboratory and field situations.

IMPORT/EXPORT AND VETERINARY DIAGNOSTICS USER FEES

Mr. Bonilla: Provide a five-year table that shows the projected revenue for import/export user fees and the projected revenue for veterinary diagnostic user fees including fiscal year 2002 estimates.
[The information follows:]

ESTIMATED USER FEE REVENUE
(Dollars in thousands)

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Import/Export User Fees (includes AIC's in Newburgh and Miami)	$19,461	$20,045	$20,646	$21,265	$21,672
Veterinary Diagnostics User Fees	2,643	2,643	4,700	4,841	5,000

BIOTECHNOLOGY

Mr. Bonilla: Please update the staffing and funding for the biotechnology table that appears in last year's hearing record.
[The information follows:]

STAFFING AND FUNDING FOR BIOTECHNOLOGY ACTIVITIES
(in thousands of dollars)

	FY 1998 (actual)	FY 1999 (actual)	FY 2000 (actual)	FY 2001 (actual)	FY 2002 (est.)
Funding	$4,703	$4,480	$4,669	$5,977 1/	$5,950 2/
Staff Years	59	56	56	56	57

Note: This table reflects funding and staffing associated with the phytosanitary and veterinary aspects of the Biotechnology and Environmental Protection line-item. It does not include funding and staffing associated with the National Monitoring and Residue Analysis Laboratory or the environmental component of the line item.

1/ Adjusted to include $539 in pension and GSA rent costs not included in prior year data.
2/ Adjusted to include $553 in pension, GSA rent, and FECA costs not include in prior year data.

INTERNATIONAL PROGRAMS

Mr. Bonilla: Update the table that appears in last year's hearing record showing how much you spent in foreign countries to include fiscal year 2001 actuals and 2002 estimates.
[The information follows:]

APHIS SPENDING BY COUNTRY 2000-2002

Country	2000	2001	2002 (est.)
Canada	$347,150	$1,122,990	$1,780,306
Caribbean	1,806,421	1,557,788	1,392,729
Central America	6,292,486	5,398,188	3,376,464
Chile	701,938	787,027	844,562
China	380,782	395,336	605,718

Other Asia/Pacific	1,327,361	1,230,361	1,634,797
Colombia	1,456,542	1,048,956	1,222,240
Dominican Republic	414,297	1,547,727	1,170,856
Europe/Africa	1,472,799	1,821,615	1,974,149
Guatemala	22,893,841	32,117,747	16,158,739
Mexico	23,392,497	24,574,637	20,891,075
Panama	8,796,591	6,091,613	5,925,908
Peru	266,069	26,069	25,944
Surinam	101,216	170,000	177,295
Other South America	381,715	1,167,728	1,110,755
Total:	$70,031,705	$79,057,782	*$58,291,537

*The overall decline in FY 2002 compared with FY 2001 is due to decreased CCC funding for the Medfly program in Mexico and Guatemala and the Classical Swine Fever program in the Dominican Republic. The Medfly program received a large CCC transfer at the end of FY 2001 to purchase supplies needed for the beginning of FY 2002.

HISTORY OF THE BUDGET REQUEST

Mr. Bonilla: Provide a complete breakout of your budget request to the Office of the Secretary, the Secretary's request to the Office of Management and Budget (OMB), and the OMB allowance.

Response: Agency and Department materials used in developing the FY 2003 President's budget are considered "predecisional" materials and therefore remain a matter of internal record.

BROWN CITRUS APHIS

Question: What is the status of the brown citrus aphid control?

Response: APHIS is not conducting control activities against the brown citrus aphid--BCA--at this time. We are supporting ongoing studies being conducted by the University of Florida to study classical biological control of BCA using new natural enemies from China. Surveys in Texas in 1999 yielded no evidence of this pest in that State's citrus growing region, although the pest has been reported in Puerto Rico and Florida. We have developed State guidelines for developing BCA control plans, and Florida has developed its own plan. Earlier this year we developed a plan to control the BCA by means of classical biological control in southern Mexico in a proactive move before it enters the Texas and California citrus growing regions. Our goal is to reduce BCA population densities, thereby reducing the rate of spread throughout Mexico and northern movement toward California and Texas. In addition, a successful biological control program in Mexico would also delay the potential spread of the deadly citrus tristeza virus vectored by the BCA which poses a threat to the majority of citrus root stock in California and Texas.

Question: How much did you spend in FY 2001?

Response: We spent $55,000 in FY 2001 through a cooperative agreement with the University of Florida for the development of a biologically-based management strategy for this pest in Florida.

Question: How much do you plan to spend in FY 2002?

Response: We plan to spend $55,000 in FY 2002 to continue these efforts in collaboration with the University of Florida.

NATIONAL RABIES MANAGEMENT PLAN

Mr. Bonilla: What is the status of the national rabies management plan? How much do you plan to spend in FY 2002 on this program?

Response: During FY 2001, several States, including Vermont, New York, Pennsylvania, Ohio, and West Virginia, participated in a coordinated oral rabies vaccination program--ORVP. The objective of the ORVP was to prevent raccoon rabies from spreading into uninfected areas in the Midwest and further into Ontario and Quebec. The current strategy that the Agency is implementing consists of the distribution of fish-scented baits, mostly by air, that contain vaccine effective in orally immunizing raccoons in defined barriers. To prevent raccoon rabies from spreading beyond the barrier, immune barriers were created at strategic locations along the leading edge of the current distribution of raccoon rabies.

In FY 2001, we assisted cooperators to combat raccoon rabies by distributing approximately 3 million oral rabies vaccine baits over a 8,500 square mile area in Ohio, West Virginia, Pennsylvania, New York, and Vermont. To date, these oral vaccination efforts show good promise for containing raccoon rabies. Additionally, in FY 2001 we participated in several smaller raccoon ORVP and rabies surveillance projects in Florida, Alabama, Virginia, Maryland, and Massachusetts. APHIS continues to cooperate with the State of Texas to prevent the canine strain of rabies from re-emerging in coyotes in the U.S. The Agency is also an important funding and operational partner with the Texas Department of Health in ORVP efforts to contain gray fox variant of rabies in west central Texas.

In FY 2001, we completed several key steps toward formulating a viable National Rabies Control Plan. We completed a programmatic environmental assessment with no negative public comment on the preferred alternative which relies on strategic use of oral vaccination to control terrestrial wildlife rabies. We also completed a comprehensive business plan for the next three years. To complete phase one of the rabies control plan, we will establish a barrier in Alabama, Florida, and in Maine. This would result in a vaccination barrier integrated with land features to contain the spread of raccoon rabies. Once contained, we will begin work toward eliminating the raccoon strain along portions of the existing ORV barrier in Ohio, West Virginia, Pennsylvania, and New York. The program will continue to push the gray fox variant back to the Rio Grande and provide spot treatment if reinfection occurs from Mexico.

In FY 2002, APHIS will use $11.75 million in appropriated funds for rabies control efforts and is considering options for an additional $6.6 million to supplement appropriated funds. This will allow us to control gray fox rabies in Texas; skunk rabies in Wyoming and California; and raccoon rabies in Florida, New York, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and Vermont. In FY 2002, we must continue to extend the barrier in West Virginia south through western Virginia, terminating at the higher elevations of the Appalachian Mountains in eastern Tennessee. In addition, we must extend the northern portion of the barrier from Vermont into New Hampshire, and including parts of eastern Maine, to protect the eastern terminus of the existing barrier; failing to do so will compromise the current ORV barriers leading to the westward spread of raccoon rabies through mountain gaps or through river valleys that serve as high risk movement corridors for the disease.

ANIMAL AND PLANT HEALTH REGULATORY ENFORCEMENT

Question: How many animal and plant health regulatory enforcement violation cases are pending at the agency?

Response: As of March 12, 2001, 1,268 cases are pending.

NATIONAL MONITORING AND RESIDUE ANALYSIS LABORATORY

Mr. Bonilla: The National Monitoring and Residue Analysis Laboratory performs tests of various food products for pesticide residues under contract with requesting agencies. Provide a list of all pesticide residue testing the Lab conducted, who the contracting agency was, and the cost of the contract for fiscal years 2000, 2001, and to date in 2002.

[The information follows:]

Year	Pesticide	Contracting Agency	Number of Samples	Amount Charged ($)
2000	Benomyl, thiabendazole, and Formetanate	Agricultural Marketing Service - Pesticide Data Program	1,693	None
	Quality assurance of results	All customers	1,950	None
2001	Benomyl, Thiabendazole and Formetanate	Agricultural Marketing Service - Pesticide Data Program	2,446	None
	Herbicides	Agricultural Marketing Service - Commodity Certification Program	8	6,200
2002	Formetanate	Agricultural Marketing Service - Pesticide Data Program	421	None
	Quality assurance of results	All customers	2,531	None

In addition to the above, the National Monitoring and Residue Analysis Laboratory performed tests of samples for agency programs including imported fire ant quarantine, boll weevil eradication, fruit fly, and Asian longhorned beetle, as follows: FY 2000: 2,944; FY 2001: 4,472; and FY 2002 to date: 1,151.

FOREIGN ANIMAL DISEASE AWARENESS

Mr. Bonilla: How many training courses were provided in fiscal year 2001 to increase foreign animal disease awareness, where were they conducted, what was the number in attendance, and what did they cost?

Response: APHIS conducted 11 training courses in FY 2001 to increase foreign animal disease awareness.

[The information follows:]

Training & Location	Number in Attendance	Cost
FAD School - Lab Diagnosticians Course, Foreign Animal Disease Diagnostic Laboratory, Plum Island, New York	28	$20,000*
FAD Diagnostician Training Course for APHIS, State, and Military Veterinarians, Foreign Animal Disease Diagnostic Laboratory, Plum Island, New York	33	$72,500*
****FAD Diagnostician Training Course for APHIS, State, and Military Veterinarians,** Foreign Animal Disease Diagnostic Laboratory, Plum Island, New York	33	$27,500*
BSE: The Current Situation Net Conference, Web based training, nationwide and internationally	181	$8,131
How to Report FAD Investigation Net Conference, Web based training, nationwide and internationally	106	$5,000
Foreign and Emerging Diseases in Wildlife Seminar, University of Georgia, Athens	19	$24,000

Scrapie and Chronic Wasting Disease: The Other TSE's Net Conference, Web based training, nationwide and internationally	77	$4,027
Emerging Swine Diseases Net Conference, Web based training nationwide and internationally	149	$5,525
FAD Course With the University of Wisconsin for APHIS, State, and Practitioners, University of Wisconsin, Madison.	20	$47,275
Classical Swine Fever Net Conference, Web based training, nationwide and internationally	70	$3,767
Sixth Annual Emergency Preparedness Satellite Seminar, Via satellite from Washington, DC, with 130 registered downlink sites around the United States	1,837	$48,700*

*Does not include participant travel expenses.
** This course was conducted through a reimbursable agreement with the Department of Defense for $45,045. APHIS incurred expenses totaling $27,500 for this training course.

INTERNATIONAL COOPERATION IN ANIMAL BIOLOGICS

Mr. Bonilla: The Institute for International Cooperation in Animal Biologics is a cooperative effort between APHIS, ARS, and Iowa State University. What are its accomplishments to date? Provide a table that shows how much each entity contributes to its operation.

Response: In June 2001, the International Cooperation in Animal Biologics--IICAB--organized the 6th *OIE Veterinary Biologics Training Program.* Thirty international participants from 17 countries and 47 representatives from U.S. companies participated in the 12-day training program. Participants received an overview of the scientific principles of vaccines and of the USDA regulatory process for assuring the purity, safety, potency, and efficacy of veterinary biologics. In the past 6 years, the Veterinary Biologics Training Program has gained recognition as a good way to train biologics industry employees and international government officials on the USDA regulatory process. Since the program was established, almost 400 U.S. industry personnel have attended the training, with over 170 international participants from 61 countries.

IICAB facilitated harmonization of regulations regarding veterinary biologics in the Americas. The IICAB publicized the *OIE* Seminar on Harmonization and Control of Veterinary Medicines in the Americas to the U.S. biologics industry. The meeting was held in Lima, Peru, in August 2001. Thirty-eight government representatives and 65 industry representatives participated in the meeting and made progress on harmonization of regulations for biologics and pharmaceuticals. In the past six years, the IICAB has organized and/or participated in nine international meetings on harmonization of regulations related to veterinary biologics.

IICAB worked to increase awareness of veterinary colleges and veterinary students of the potential for bioterrorism and emerging animal diseases. The USDA Challenge Grant program provided funds for the development of web based curriculum modules on foreign animal diseases for U.S. veterinary students. The University of California, the University of Georgia and the APHIS are partners in the project and provide matching support. The project will be completed in December 2002.

Also in FY 2001, IICAB continued working with the Malaysian government, the Centers for Disease Control, and the USDA Agricultural Research Service (ARS) and APHIS to develop a marker vaccine and companion diagnostic test for the Nipah virus. ARS provided funding for the project. IICAB organized the *Biologics for Cancer Diagnosis, Immunotherapy and Prevention* meeting, held in April 2001, in conjunction with the APHIS Veterinary Biologics Public Meeting. Approximately 110 people attended the meeting to learn about cancer vaccine research and potential federal regulations for this new technology.

In the past six years, the IICAB has organized 16 scientific meetings related to veterinary biologics and animal health.

IICAB also continued in the role as an OIE Collaborating Center for the Diagnosis of Animal Diseases and Vaccine Evaluation in the Americas. IICAB staff met with and/or provided information related to veterinary biologics to individuals from the Andean Community, Argentina, the Cayman Islands, Chile, Cuba, France, India, Norway, Paraguay, Peru, Russia, South Africa, and Thailand.

FUNDING FOR THE INSTITUTE FOR INTERNATIONAL COOPERATION IN ANIMAL BIOLOGICS

Funding Source	Start-Up to 1998	1998-1999	1999-2000	2001
Iowa State University	300000.00	$50,000(direct funds) $50,000(indirect funds)	50000.00	$50,000
APHIS	$300,000	$100,000	$50,000	$45,000
Total	$600,000	$200,000	$100,000	$95,000

ARS is represented on the board of directors but does not contribute funding.

SALTCEDAR TREE

Mr. Bonilla: What is the status of the plan to release foreign insects in arid regions in an attempt to control the saltcedar tree?

Response: As efforts have advanced to seek out natural enemies to saltcedar, scientists have identified numerous insect species in Asia and Europe which feed only on saltcedars and cause them much damage. APHIS will continue to work with the U.S. Fish and Wildlife Service to ensure that an acceptable plan is developed covering the use of natural enemies to reduce saltcedar in areas of concern for endangered species. Planned activities would concentrate on partnering with the Agricultural Research Service and State cooperators to improve and advance rearing and release methods and conduct field cage studies in select locations of conditionally approved natural enemies against saltcedar. Specific activities include: (1) developing methods to establish nursery cages for the mass rearing of *Diorhabda elongata* in numbers sufficient for significant releases in at least 6 States; (2) continue developing methods to solve select problems inherent in mass-rearing or field operations, such as the high incidence of *Opsius* stactogalus, a leaf-hopper with negative effects on saltcedar field insectaries; and (3) integrating saltcedar biological control technologies into comprehensive IPM programs tailored for site specific actions.

IMPORTED FIRE ANT

Mr. Bonilla: What is the status of the research into the South American fly that attacks fire ants?

Response: In FY 2001, APHIS initiated and coordinated the development of an area wide biological control implementation plan for the imported fire ant--IFA--based on the mass-release of the phorid decapitating fly, *Pseudacteon tricuspis*, in collaboration with the Florida Department of Plant Industry. For FY 2002, our plan is to expand production, field release, and evaluation of impact of *P. tricuspis* for control of IFA in the southern United States. Specifically, we plan to (1) initiate 3 new release sites this spring and another 10 to 12 sites this fall, in 11 southern States infested with IFA, specifically Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas; (2) monitor release

sites to determine establishment and impact; (3) improve the cost efficiency of phorid fly production; and (4) facilitate the importation and evaluation of other phorid fly species and biological control agents that attack IFA.

AGRICULTURAL QUARANTINE INSPECTION

Mr. Bonilla: Did you open the new stations on the Canadian and Mexican borders?

Response: During FY 2000 and 2001, we opened new Canadian border crossings in Houlton, Maine and International Falls, Minnesota. We added personnel to border crossings in Detroit and Port Huron. We plan to open additional stations and positions during FY 2002 in Houlton, Maine, Derby Line and Highgate Springs, Vermont, in Sault St. Marie; Detroit; and Port Huron, Michigan, and in Rouse Point, New York.

SILVERLEAF WHITEFLY

Question: How much do you plan to spend on the silverleaf whitefly program in FY 2002?

Response: We plan to spend $480,000 on activities to combat SLW in the current fiscal year.

KUDZU

Mr. Bonilla: Do you plan to spend any funds on kudzu control in FY 2002?

Response: We plan to spend $45,000 in cooperation with researchers at Mississippi State University to conduct an eradication demonstration project for kudzu in northeastern Mississippi.

Mr. Bonilla: Are there any other Federal agencies spending funds on kudzu control?

Response: The U.S. Forest Service is conducting a biocontrol research project to combat kudzu at Athens, Georgia. The Agricultural Research Service is conducting a research project at its Stoneville, Mississippi, site.

NONLETHAL METHODS

Mr. Bonilla: What is APHIS doing to increase the use of nonlethal methods of animal control?

Response: Our National Wildlife Research Center--NWRC--devotes 75 percent of its research effort to non-lethal wildlife management methods development. With livestock predators, NWRC dedicates nearly all research to examining and developing non-lethal approaches for capture and control.

The new outdoor pen project at the NWRC facilities in Fort Collins, Colorado will be available for use in late FY 2002. The added capacity for increased methods development has the potential of doubling the output of new methods tested or developed.

We recently implemented methods based on completed research for effective use of llamas as livestock guarding animals, tranquilizers for acceptable capture of predators causing economic damage, use of oral vaccination for carnivores involved in spreading rabies in the United States, and mechanical lasers for dispersing migratory birds causing damage to aquaculture.

NWRC is developing and testing several promising new non-lethal methods, such as: surgical sterilization to reduce depredation associated with animals provisioning their young; animal activated frightening devices that inhibit movement of predators into areas with vulnerable livestock; and several capture devices that could reduce reliance on padded foothold traps. We are investigating attractant systems, including visual, sound, and odor applications, necessary to support field use of these methods.

We make all research results accessible to the public via the APHIS and Wildlife Services web sites. NWRC also publishes results in scientific journals and conducts training seminars and scientific symposia on the latest non-lethal technologies in wildlife management.

Mr. Bonilla: How much does APHIS plan to spend on trap testing in fiscal years 2002 and 2003 and how much of this is on nonlethal methods of trap testing?

Response: All of APHIS' planned trap testing will involve non-lethal, live capture devices. APHIS will spend approximately $250,000 in FY 2002 on the project, "Alternative Capture Systems and Aversive Stimulus Applications for Managing Predation." The purpose of the project is to develop new, more acceptable capture systems for livestock predators. APHIS plans to spend approximately $250,000 in FY 2003.

In addition, APHIS also will spend $450,000 each year on cooperative programs with state wildlife management agencies to test existing commercially available traps. The U.S. Government entered into an agreement with the European Union to develop Best Management Practices to improve animal welfare in U.S. trapping policies; this project will help to comply with the agreement. To date, this work has included 32 trap types for 13 species of animals involving two state wildlife management agencies. The program's emphasis has been on commercial live restraint capture devices, including conventional and improved foothold traps, cage traps, and restraint snares. We are currently in the fifth year of this effort.

AGRICULTURAL QUARANTINE INSPECTION

Mr. Bonilla: How much overtime was paid in the Agricultural Quarantine Inspection Program in fiscal year 2001? How does this compare to fiscal year 2000?

Response: In FY 2001 the Agricultural Quarantine Inspection Program paid $39.4 million in overtime, including $11.4 million in reimbursable overtime. In FY 2000, the program paid $37.3 million, including $11.6 million in reimbursable overtime.

Mr. Bonilla: How much does APHIS expect to reimburse the Department of State for shared administrative costs in fiscal year 2003? B. How does this compare to fiscal years 2001 and estimated 2002?

Response: APHIS expects to reimburse the State Department an estimated $1,921,416 for shared administrative costs in FY 2003. This compares with $1,597,926 in FY 2001 and an estimated $1,717,708 in FY 2002.

ASIAN LONGHORNED BEETLE

Mr. Bonilla: What is your current estimate of the total amount spent by federal and local governments for eradication of the Asian Longhorned Beetle?

Response: From FY 1997 through FY 2001, we spent approximately $53 million to eradicate the ALB in New York State and Illinois. This represents 86 percent of total program costs. During the same period, State and local governments in NYS and IL spent approximately $8.6 million which represents 14 percent of total program costs.

Mr. Bonilla: What is your current estimate of the total damage caused by the Asian Longhorned Beetle in the U.S.?

Response: As of March 1, 2002, there were 1,527 infested trees in Illinois and 5,730 in New York. The cost of replacing these trees alone is nearly $4.5 million. If the pest becomes widely established, damage could ultimately reach $41 billion in losses to forest resources nationwide (source: USDA Forest Service State and Private Forestry), with recovery and replacement

efforts costing $500 per tree. The $41 billion in losses would particularly affect the forest products, commercial fruit, maple syrup, and tourism industries. Besides maples, the ALB feeds on 100 other species of hardwoods, including elms and horse chestnuts. Hardwoods cover 279 million acres of forest lands in the East and almost half of these lands are susceptible to ALB. Also, a FY 1999 USDA Forest Service Research and Development economic study indicates that ALB could cause over $669 billion in losses to urban areas if it becomes widely established. This estimate was based on existing canopy cover in urban areas, vulnerable tree species, and costs to replace trees.

TRUST FUND AGREEMENTS

Please list the trust fund agreements you have with major exporting groups.

Response: We have agreements with the following export groups:

AUSTRALIAN HORTICULTURAL CORP
ASOCIACION DE EXPORT DE CHILE
LAURITZEN REEFERS A/S
JAPAN PLANT QUARANTINE ASSOC.
BOND VAN BLOEMBOLLENHANDELAREN
FISHER BROS SALES INC
NISSUI SHIPPING CORPORATION
GREAT WHITE FLEET
FRUITS BOTNER, LTD
CITRUS MKTG BOARD
UNIFRUCO LTD
FISHER BROS. SALES INC.
AGREXCO
GEBR. VAN DIEPEN
MINISTRY OF AGRICULTURE OF FRANCE
FISHER BROS. SALES INC
LINGARDEN LTD
NEW ZEALAND APPLE & PEAR
OFC NATIONAL DES DE BOUCHES
IBERTRADE COMMERCIAL CORP
SOUTHERN FRUIT IMPORT
COPEXEU
SYNDICAT DES NEGOCIANTS EXPORT
FISHER BROS. SALES, INC.
KOSMOS
LEONHARDT & BLUMBERG
ENTERPRISES SHIPPING & TRADING
A.C. OERSSLEFF'S EFTF. A/S
KANASASHI SHIPBUILDING CO., LTD
INSTIT. COLOMBIANO AGROPECUARIA
CHESTNUT HILL FARMS (DIAGRO)
KUSU SHIPPING
PRILUMO
INT'L REEFER SERVICES, S. A.
FAO NORTH AFRICA SCREWWORM ERAD
NORFRUIT, S. A.
INTERFRUTA C. A.
AKRA SHIPPING COMPANY, LTD
MARINE MANAGEMENT SERVICES
NARCISSUS SHIPPING CORPORATION
SEATRADE
SABROE MARINE
FRUITFORT AGRICOLA EXPORT
IMABARI SHIPBUILDING CO., LTD
NORBULK SHIPPING UK LIMITED
AGRICOLA PROAGIVEN, C. A.
NASHI-ASIAN
NATIONAL AG COOP FED (NACF)
FISCHER GERANIUMS USA
NORTHERN NAVIGATION
CONERPO SOC. COOP A. R. L.
ASOCIACION HOT WATER TREATMENT
TIMBAUBA AGRICOLA , S. A.
MANDACARU COMERCIAL LTDA
COMPANHIA JOFRA AGRICOLA
TROPICAL FRUTOS CANAA
COMISION HONORARIA NACIONAL DEL
PLAN CITRICOLA
UNIVERSAL REEFERS (UK), LTD
FRUTOS DEL PAIS, S. A.
GREEN CHARTERING A/S
ARMADA SHIPPING A/S
LASKARIDIS SHIPPING
OUTSPAN INTERNATIONAL, LTD
ALL-COAT FOREST PRODUCTS
CARGILL COMMODITIES
PROFOOD USA
HUADU CITY FOREIGN ECON. RELATIONS
& TRADE DEVELOPMENT
SEATRADE REEFER CHARTERING
PENNY/NEWMAN GRAIN COMPANY
INTERNATIONAL SAUSAGE CASING ASSOC
PAPAYA/REGION II
WALLEM SHIPMANAGEMENT, INC.
J. G. BOSWELL COMPANY
TOKUMARU KAIUN CO., LTD
AGROMAR INDUSTRIAL, S. A.
SUNSHINE EXPORT, S. A.
ESPIAGRO, S. A.
DECIDUOUS FRUIT PRODUCERS TRUST
HANSON MUELLER CO.
AGROWEST, S. A.
UNION AGRICOLA REG DE FRUTICULTORE
ASOC DE FLORICULTORES DE MEXICO
OIRSA
CONFEDERACION NACIONAL GANADERA
LEOCO, S. A.
SECRETARIAT OF ST FOR AG
GEXPRONT
OIRSA
INTEROCEAN UGLAND MANAGEMENT AS
JAMAICA EXPORTERS ASSN
HANS KRUGER G. M. B. H.
ZODIAC MARITIME AGENCIES LTD

DRYTANK, S. A.
NOR INDUSTRIAS, S. A. (NISA)
FRUTILLA C. A.
REEFER & GENERAL SHIP-MGMT
A/S THOR DAHL SHIPPING
SHIN KOCHIJYUKO CO., LTD
EASTWIND MARITIME, S. A.
ROMERO TRADING (PEISER)
OIRSA NICARAGUA
MIGRANJA, S. A.
NOVA FRONTEIRA, S. A.
PROEXANT
TOYO SHIPPING LINE CO.
TARGET MARINE, S. A.
P. M. POOL, INC.
STAR REEFERS
DAIKIN INDUSTRIES, LTD
MAPEL
COMERCIAL E EXPORTADORA
PROGRAMA NACIONAL DEL BANANO
IICA
OCEAN REEF TRANSPORT, LTD
ADEX
FUNDACION PROPARAGUANA
COLUMBIA SHIPMANAGEMENT
JAMAICAN MINSTRY OF AGRICULTURE
PROEXSAC
NYKSHIPMANAGEMENT (HK) LTD.
UNIQUE SHIPPING
J.G. BOSWELL COMPANY
MK SHIP MANAGEMENT
GOLDENPORT SHIP MANAGEMENT
MINISTRY OF AGRICULTURE, HONDURAS
LOMAR SHIPPING
SEMLER COMMODITIES
SCA/ SHIP AND CONTAINER AGENCY
UNITED AMERICAN ENGINEERS
PIER FRUIT LTD
SAGAR-SA (ANIMAL DISEASE)
COMITE REG. DE SANIDAD VEGETAL
DEL VALLE DE MEXICALI
MICHOACAN AVOCADO ASSN
ACOMARIT (UK) LTD
HOLY HOUSE SHIPPING
REEFER EXPRESS LINES
GUEZURAGA VIGO S. L.
ERNST JACOB (GmbH & Co)
SOUTHERN ROUTE MARITIME S.A.
HOEGH FLEET SERVICES
FINCANTIERI
VALEXPORT
FIESTA FRUIT
PRODESA
NICOLAS RODRIGUEZ
CHARTWORLD
ASSOCIATION NATIONALE DES EXPORT
JOINT HAITI ACCOUNT (ACCT TRACKING)
FRUTAS INTERNACIONALES (FRUTI) CA
JOSSCO, USA
ECUADOR EXPORTERS ASSOCIATION
LONDON SHIP MANAGERS ASSOCIATION
AMER SHIPPING LTD
KOREA AG & FISHERIES
SHANCO COMMODITIES
SECRETARIAT OF MANGO EXPORT
PHILIPPINES
APEM
GREAT AMERICAN
PIPFRUIT

ARGENTINE CITRUS

Mr. Bonilla: What is the status of the agreement on importation of Argentine citrus?

Response: During the 2000 and 2001 shipping seasons, Argentine citrus entered 34 Northern states without detection of any foreign pest or disease, based on APHIS's rule that took effect on June 15, 2000. In May 2001, however, a group of growers filed suit against APHIS's risk assessment. They contended that, since the Argentinian animal and plant health organization concealed facts about foot-and-mouth disease in their country, they were not credible on plant health either. APHIS increased our level of oversight on the program.

On September 27, 2001, the U.S. Ninth District Court for the Eastern District of California ruled in favor of the plaintiffs and remanded the Argentine Citrus Final Rule back to APHIS. The court found fault with the risk assessment and also questioned the credibility of the Argentinian authorities. APHIS is currently working with the USDA Office of the Inspector General to appeal the Court's decision. In the meantime, APHIS is modifying the risk assessment to accelerate a new rulemaking process to resume Argentine citrus imports as soon as possible.

Mr. Bonilla: Did the "high risk locations" on the Canadian border for which you proposed receive that additional support?

Response: Some "high risk" locations did receive additional staff, and increases will continue through FY 2002 as well. For example, we placed additional staff in certain ports with heavy traffic volume, such as Blaine,

Washington, Detroit, Michigan, Buffalo, New York, and Sweetgrass, Montana. We also opened new border crossings in Houlton, Maine and International Falls, Minnesota.

AGRICULTURAL QUARANTINE INSPECTION USER FEES

Mr. Bonilla: By how much did you increase AQI user fees and how much additional income will that generate?

Response: Because rulemaking takes time, in 1999, we published AQI user fee amounts for FY's 1999--2002. The incremental increases were designed to cover all costs associated with providing inspection services for passengers and means of conveyances entering the U.S. Each year, anticipated pay costs, cost of living allowances, and personnel increases were adjusted to ensure full cost recovery. A table comparing user fee amounts during FY 2000--2002 is shown below. While the fees increased modestly in FY 2002, the effects of September 11th are expected to severely impact collections. Even with the fee increases, we are currently projecting at least a 25 percent decline in FY 2002 collections over what we had projected prior to September 11, 2001. While our main goal is protecting American agriculture from foreign pests and disease, efforts are being made to ensure costs are closely monitored and minimized as much as possible.

AQI User Fees
FY 2000-2002

Fee Type	FY 2000 1/	FY 2001	FY 2002
Air Passenger	$2.05/3.00	$3.00	$3.10
Aircraft Clearance	$60.25/64.00	$64.75	$65.25
Commercial Vessel	$461.75/$465.50	$474.50	$480.50
Commercial Truck	$4.00/4.25	$4.50	$4.75
Loaded Railroad Car	6.75	$7.00	$7.00

1/ For FY 2000, the first number represents the fee during the period October 1--December 31, 1999; the second number represents the fee during the period January 1--September 30, 2000.

NATIONAL WILDLIFE RESEARCH CENTER

Mr. Bonilla: Congress authorized research at the National Wildlife Research Center to investigate the effectiveness of nicarbizin in inhibiting reproduction in resident Canada geese populations. What is the status of this project?

Response: National Wildlife Research Center--NWRC--has implemented an aggressive research program to develop nicarbazin as a reproductive inhibiting agent for wild Canada geese. We have completed several laboratory and field studies and others are currently underway. We are investigating the nicarbazin dose required to inhibit reproduction in geese and are developing a highly palatable treated food item to deliver an effective dose to geese. In addition, NWRC scientists are conducting field studies in Nebraska, Wisconsin, and Colorado to determine the dose required to achieve target reduction in reproduction rates and to test the feasibility of several delivery methods of nicarbazin to wild geese. To complete the laboratory, field, and analytical chemistry work required for this effort, NWRC has assigned numerous staff, including five research scientists and one Ph.D. candidate, to this research. Because we conduct this research in multiple locations, NWRC works cooperatively with the University of Georgia, Cornell University, Wisconsin Department of Natural Resources, private landowners, and a private power company in Colorado. We should know the results of the laboratory and field research in 2 years; we are already 2 years into this 4-year effort.

SCREWWORM

Mr. Bonilla: When will you move the screwworm facility from Mexico to Panama?

Response: Following a review of the program, we modified the plan for constructing a new facility in Panama. We are now planning to build a smaller plant in Panama with the capacity to maintain the screwworm barrier in Panama. That facility could be ready for use as early as 2006. Meanwhile, the screwworm facility in Mexico will remain open. We may use that facility as a back-up plant, in case of an outbreak north of the barrier or to sell flies to other countries developing their own eradication programs. We plan to keep it open for these purposes as long as it is feasible. The current Government in Mexico now supports keeping the plant open for screwworm production.

WOLF CONTROL

Mr. Bonilla: What impact are the wolf/livestock incidents having on Wildlife Services' ability to provide other routine activities?

Response: APHIS' responsibility has increased significantly as a result of the wolf recovery efforts in Montana, Idaho, and Wyoming. There are approximately 500 wolves in these three States, and the populations have migrated from Yellowstone Park and Idaho into neighboring States. Various factors (e.g., terrain, the objective of the operation, and Federal, State, and local regulations) impact wolf damage management activities. Rough terrain requires 4-wheel drive vehicles and more extensive aircraft usage. Also, Federal, State, and local regulations require the use of labor-intensive methods to selectively capture the intended animal and minimize impacts to non-target wolves and other wildlife. Investigations of wolf complaints require we implement an entire range of activities such as: determining if wolves caused the depredation; tracking the offending animals; trapping and relocating the offending animals; and, in some cases, lethal management. Wolf impacts to livestock occur in many different topographic conditions requiring a wide range of approaches. For example, wolf impacts to livestock in Idaho often occur in difficult, inaccessible sites that require use of helicopters, a much more expensive mode of transportation than ground vehicles. An increased number of complaints in Idaho will require more helicopter use and additional costs. In addition, this same increase in activity affects all equipment, such as traps, which leads to more immediate replacement needs. As a result, our ability to quickly resolve some predation problems has decreased. In FY 2001, our personnel responded to more than 120 requests for assistance in these 3 States and removed 32 wolves. In FY 2001, we used $1 million for the wolf and predator control activities' programs in Montana, Idaho, and Wyoming for the protection livestock resources. In FY 2002, we received an additional $300,000 for wolf and predator control activities in these three States. APHIS receives $100,000 from the U.S. Fish and Wildlife Service to fund a portion of the effort to protect livestock from predation by wolves in Idaho, Montana, and Wyoming.

Gray wolf populations also exist in the Western Great Lakes States of Minnesota, Michigan, and Wisconsin. The Minnesota wolf population has steadily increased from approximately 1,200 wolves in 1979, found only in the remote northeastern parts of the State, to approximately 2,600 wolves now. This population increase has caused a significant southern expansion with a contiguous range now covering approximately 40 percent of the State. Wisconsin began to monitor for wolf populations in 1979, with an initial report of 25 animals. In the late 1980s, this population began to steadily increase to approximately 250 wolves now. In 1995, wolf discoveries occurred in areas south of the northern Wisconsin region. As wolves began to occupy northern Wisconsin, individual wolf observations occurred in the Upper Peninsula of Michigan. We now estimate that approximately 250 wolves inhabit the Upper Peninsula. With such a large and ever expanding natural population of gray wolves, we have been addressing wolf impacts in Minnesota since the mid 1970s. However, population growth and expanding range have resulted in

wolves moving into Wisconsin and Michigan. While the increasing incursions of wolves into populated areas of Minnesota have strained existing personnel and equipment by diverting them from their current ongoing operational program, such as migratory bird depredation work, our Wisconsin and Michigan offices are now facing similar personnel and equipment shortages. In Minnesota, Wisconsin, and Michigan, APHIS responded to approximately 175 requests for assistance with wolf predation on livestock and other domestic animals and during FY 2001 captured 141 wolves.

In addition to gray wolf activities, APHIS cooperates with the Fish and Wildlife Service by providing wildlife damage support to Mexican wolf recovery efforts in New Mexico and Arizona. The entire Mexican wolf population, approximately 30 animals in New Mexico and Arizona, is comprised of reintroduced animals and resulting pups. We are not providing direct assistance to livestock producers in New Mexico and Arizona; however, with the continued implementation of the Mexican wolf recovery program and its potential impact to livestock producers, we anticipate increased demand for our wildlife service programs in these States. During FY 2001, we responded to approximately 30 requests for assistance involving Mexican wolf-human encounters and livestock predation. We respond to these issues using available funding earmarked for other wildlife management activities.

WILDLIFE SERVICES

Mr. Bonilla: Please provide the Committee with the current status of the cooperative agreement with Georgia Wildlife Services and the University of Georgia to conduct research on and control of game predation in Georgia..

Response: The Wildlife Management and Gamebird Restoration Program is a collaborative effort that involves Georgia Wildlife Services, the University of Georgia, Auburn University in Alabama, and Tall Timbers Research Station in Florida. The major focus of this tri-state, Federal, state, and private industry program is to identify how professional predation management enhances population numbers and productivity for a variety of ground nesting birds. The primary emphasis is on the restoration of northern bobwhite quail populations that have drastically declined over 70 percent in the last 3 decades.

The project is proceeding smoothly. APHIS has established offices and personnel in southwest Georgia near Thomasville at Pebble Hill Plantation and Albany at Pine Bloom Plantation. Predation management, especially during the nesting season, has made a significant impact based on results of the first year. Nesting success increased 19 percent, Covey call counts increased 28 percent, nests per hen nearly doubled, and broods per 100 hens and the predator index was reduced by 30 percent. Results are preliminary but are encouraging. Outreach and service on adjoining properties has been very successful and the demand for professional management is intensifying.

PREDATOR CONTROL PROGRAMS

Mr. Bonilla: Please tell the Committee how APHIS is implementing the funding increase for predator control programs for livestock operators in Montana, Idaho, and Wyoming.

Response: We are using this increase to maintain the additional permanent and temporary employees hired for predator control work; to buy additional vehicles, equipment and trapping supplies; and increase aerial operations to enhance our ability to respond to predator attacks on livestock in Montana, Idaho, and Wyoming.

Mr. Bonilla: How much of the increase is being spent in each of these three states?

Response: We have equally distributed the $300,000 increase among Montana, Idaho, and Wyoming, $100,000 per State.

VAC-TRAC VERIFICATION SYSTEM

Mr. Bonilla: Please update the Committee on APHIS' use of VAC-TRAC Verification System (VTVS) in the establishment of a permanent animal identification system in the United States. Is there any supporting evidence that the VTVS will help support the AQI and veterinary biologics programs? If so, please provide that information for the record.

Response: APHIS is working with the industry to establish standards for innovative, market driven, and voluntary animal identification systems. These standards will focus on establishing a uniform, nationally recognizable numbering system for individual animal identification to indicate the farm of origin; developing a uniform premise identification system to identity the locations with which an animal is associated; developing a method to evaluate and approve identification methods for livestock; and developing guidelines for using electronic identification, data messaging, and data retrieval devices. With these standards in place, the livestock industry will have a mechanism to develop consistent national livestock identification systems.

During FY 2001, we reviewed several identification systems including the VAC-TRAC Verification System--VTVS. While the VAC-TRAC system appears promising, so do the other identification systems. Within 3 to 5 years, APHIS envisions a permanent animal identification system in the United States which will rely on multiple identification systems, all meeting the Agency standards. The Agency is unaware of any supporting evidence which demonstrates that the VTVS will support the AQI and veterinary biologics programs.

AVIATION OPERATIONS AND SAFETY

Mr. Bonilla: How is APHIS implementing the funding increase provided in fiscal year 2002 for aviation operations and safety?

Response: In FY 2002, APHIS continued to comply with the recommendations set forth in the 1998 Aviation Program Safety Review. We are using the $1 million increase to help State programs convert piston-driven helicopters to turbine engine helicopters; modify agency-owned aircraft to bring them into air worthiness compliance; and acquire additional leased aircraft. We continue to standardize pilot salaries and grades; provide aviation management training for managers; increase flight crew training; and conduct recurrent check rides and safety inspections. In addition, we are implementing the revised Aviation Operations Manual, paralleling Federal Aviation Administration's--FAA--Part 135 regulations, and are developing an aviation safety program.

The review committee estimated that the total cost of replacing equipment and training personnel will be more than $4 million, excluding recurring annual costs such as maintenance and monitoring. The FY 2002 Appropriations Act included an additional $1 million for aerial safety (for a total of $3.2 million) and the FY 2003 President's Budget includes an increase of $1.6 million (for a total of $4.8 million) that will allow APHIS to fully implement the recommendations of the Aviation Safety Review committee and to ensure the safety of our Aerial Operations' activities. We must complete the committee's recommendations by December 2002.

All Agency and contract aerial operations will then parallel FAA regulations and standards, which include mandatory safety, training, and maintenance personnel; written and approved operations and training manuals; hazardous training materials; specific aircraft maintenance, and modification standards; and specific requirements for aerial crew training and check rides. Aerial operations are critical to oral rabies vaccination, predation management efforts including those involving wolf capture activities, migratory bird surveys, and activities to protect threatened and endangered species. APHIS' first priority is to ensure employee safety while conducting these activities.

IMPORTED FIRE ANT

Mr. Bonilla: Please provide the current status of the fire ant quarantine of nursery and greenhouse plants. What specifically is the Agency doing regarding surveys, compliance monitoring, and enforcement?

Response: In FY 2002 APHIS is providing funds to 18 states (Alabama, Arizona, California, Delaware, Hawaii, Kentucky, Maryland, North Carolina, New Mexico, Nevada, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Utah, Virginia, and West Virginia) for surveys that will detect IFA infestations. In addition, we are providing funds to 13 States (Alabama, Arizona, California, Florida, Georgia, Louisiana, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina, Tennessee, and Texas) that are entirely or partially within the IFA quarantine area for quarantine enforcement in FY 2002.

We are working with the States to prevent further IFA spread by enforcing the Federal quarantine and cooperating with IFA-infested states to regulate articles such as nursery stock and soil-moving equipment. In FY 2002 we will conduct road enforcement blitzes in Tennessee, North Carolina and other States to inspect nursery material moving out of the quarantine area. These blitzes will involve State cooperators and APHIS plant health personnel and regulatory enforcement investigators. If we find a shipment to be in violation of the quarantine, we will return it to place of origin, treat, or destroy it; and the violator will be subject to a fine. In addition, we will conduct nursery compliance agreement oversight in cooperation with State personnel.

APHIS is revising the regulations in 7 CFR 301.81 this year to add fipronil as an approved treatment for nursery stock and grass sod. We updated the IFA quarantined area in January, 2002. The Agency is also working with the States to mass-rear and release phorid flies, a promising biological control agent. Enough phorid flies are expected to be available for a release site in three States in May 2002 and in another 8-10 States in September 2002.

Mr. Bonilla: Please provide the most recent information available regarding the research and evaluation of nicarbazin as a means of controlling goose and other avian populations. Is there any reason to believe that this could lead to increased airport safety?

Response: We have implemented an aggressive research program to develop nicarbazin as a reproductive inhibiting agent for wild Canada geese. We have completed several laboratory studies and field studies and others are currently underway. We are investigating the nicarbazin dose required to inhibit reproduction in geese and are developing a highly palatable treated food item to deliver an effective dose to geese. In addition, NWRC scientists are conducting field studies in Nebraska, Wisconsin, and Colorado to determine the dose required to achieve target reduction in reproduction rates and to test the feasibility of several delivery methods of nicarbazin to wild geese. To complete the laboratory, field, and analytical chemistry work required for this effort, NWRC has assigned numerous staff, including five research scientists and one Ph.D. candidate, to this research. Because we conduct this research in multiple locations, NWRC works cooperatively with the University of Georgia, Cornell University, Wisconsin Department of Natural Resources, private landowners, and a private power company in Colorado.

The development of nicarbazin will provide a very useful long-term option for the management of Canada goose populations. Canada geese create a direct hazard to aircraft and human safety when present in the aircraft movement areas, on the ground, or in the airspace. Preventing the geese from reproducing will definitely have long-term utility in reducing the presence of geese at and around airports. We should know the results of the laboratory and field research in 2 years; we are already 2 ears into this 4-year effort.

EMERGENCY MANAGEMENT SYSTEMS

Mr. Bonilla: Please provide the Committee an update on the emergency management systems program for which the Committee provided an increase in fiscal year 2002.

Response: With the increase in FY 2002, APHIS will place emergency managers in 5 of the 10 Federal Emergency Management Agency--FEMA--regional offices throughout the United States. These managers will serve as FEMA liaisons and will deal with emergency management issues at each region. Currently, we are reviewing and classifying these positions. APHIS will continue the emergency management grants program begun in FY 2001. In FY 2001, APHIS awarded 38 grants. Of these 38 grants, APHIS awarded 31 to States, 6 to Tribal Nations, and 1 to a University. The objective of the grant program is to assist States with meeting and exceeding the National Animal Health Emergency Management System--NAHEM--State Standards. These standards were established to identify critical issues in emergency animal health preparedness. APHIS has not yet disbursed the awards for FY 2002.

SUDDEN OAK DISEASE

Mr. Bonilla: What, if anything, is the Agency doing to control sudden oak disease?

Response: On February 14, 2002, we published an interim rule on *Phytophthora ramorum* (*P. ramorum*), the pathogen of Sudden Oak Death--SOD--. This rule, which went into immediate effect, controls the artificial spread of SOD into unaffected areas of the U.S. by regulating the interstate movement of host material and associated articles from 10 California counties and part of one Oregon county. Our quarantine regulates 15 known hosts of *P. ramorum* and is based on the best scientific information available. Our interim rule will allow flexibility in adding new regulated areas and regulated host materials, with written notice. We realize the serious threat that SOD poses to coastal regions of Central California, as well as unaffected parts of California and other States. We are working closely with State and U.S. Forest Service counterparts to implement a program to prevent further spread of SOD. In addition to a regulatory program, we will conduct a national survey to determine the extent of the disease in the United States. We intend to design a program that will impose the least impact on U.S. interests, while maintaining an adequate level of quarantine security to keep export markets affected by SOD open.

CITRUS CANKER

Mr. Bonilla: Please provide the Committee a complete update on the citrus canker eradication program.

Response: From FY 1996 through FY 2001, APHIS and the Florida Department of Agriculture and Consumer Services spent $275 million in the canker eradication program. Thus far, we have excluded this devastating disease from most of Florida's commercial citrus-producing areas. Also,USDA paid $74 million in compensation, consisting of $44 million for lost production and $30 million for tree replacement, thus ameliorating the program's impact on farmers and homeowners.

Since the program's inception, we have destroyed over 2 million trees, including over 600,000 residential trees. We had hoped to finish nearly all tree cutting by now, but our progress has been delayed by a November 2000 Florida circuit court injunction that prohibits the removal of exposed trees from residential properties in Broward County and a subsequent Florida district court of appeals ruling that prevented the program from removing exposed trees statewide. The Broward injunction has resulted in over 120,000 additional infected and exposed trees and 40,000 additional homeowners affected. Removing exposed trees up to 1900 feet from an infection will protect backyard and commercial trees in other areas from the spread of the

disease. Currently, about 200,000 exposed trees remain to be cut in Miami-Dade and Broward counties.

Based on efforts by the Florida Legislature to write the 1900 foot rule into law during the current legislative session, we expect to resume cutting these trees in June and we should have all of these trees cut by the spring of 2003. Once we have gone two years without any new finds Statewide - likely by FY 2007 - we will declare citrus canker eradicated, and Federal involvement in all program components except sentinel survey will conclude. Sentinel surveys will continue indefinitely to ensure eradication and to quickly detect any future introductions of the disease.

Mr. Bonilla: Has the State of Florida contributed funds to the citrus canker eradication program? If so, how much has the State of Florida contributed?

Response: From FY 1996 through FY 2001, the State contributed over $128 million toward operational costs. During the same period, APHIS contributed $146 million. For FY 2002, the State plans to contribute $32 million.

Mr. Bonilla: Has the Florida citrus industry contributed to the citrus canker eradication program in Florida? If so, how much?

Response: The Florida citrus industry has not contributed any direct funding to the current citrus canker program.

Mr. Bonilla: What is the size of the current quarantine area in the citrus canker eradication program? How long will the quarantine be in effect?

Response: Since 1995, the citrus canker infestation has spread from a small urban area in Dade County, Florida, to a 1,400 square-mile quarantine area including several major citrus production areas. In FY 2001 and early 2002, we either removed or will soon remove several zones from quarantine, which provides clear evidence that our program will be successful when we cut exposed trees. Other zones - particularly those in Dade and Broward Counties - will remain quarantined for a significantly longer time. Citrus canker's biology dictates that areas must remain quarantined for 2 years after the last find of the disease.

FERAL HOG POPULATION

Mr. Bonilla: Please tell the Committee what the agency is doing to control the feral hog population in Texas and other states.

Response: APHIS is actively involved in working with feral swine in a number of States including Oklahoma, California, Kansas, Oregon, and Texas. Most of this work is to protect property and natural resources that feral hogs damage or destroy.

APHIS also provides assistance, on a limited basis, to State and Federal veterinarians when conducting monitoring programs for diseases. Feral swine populations can be a potential reservoir for numerous diseases and parasites --e.g., pseudorabies, brucellosis, and leptospirosis--that threaten livestock and deer. APHIS has worked with the Texas Animal Health Commission to assist in the monitoring of various feral pig diseases. To date, however, we have not received requests to conduct population reduction programs on a Statewide basis. APHIS is collaborating with the Florida Department of Agriculture to determine how to address disease transmission from feral swine to domestic livestock.

APHIS is investigating the use of GnRH as an immunocontraceptive vaccine in domestic hogs in cooperation with Pennsylvania State University.

In Texas, feral swine are classified as exotic livestock; and we estimate there are between 1.5 to 2 million animals. The requests for assistance related to feral swine are increasing each year and, in some areas, they are the most damaging species with which we deal.

Mr. Bonilla: Provide a complete update on the cattle tick eradication program. How many federal employees are devoted to this program? Where are they located? Are there any vacancies in this program? If so, where are they located and what are the plans to fill them?

Response: In recent years, several counties in Texas have experienced cattle tick outbreaks. APHIS believes these outbreaks were the result of high tick populations in Mexico and low water levels in the Rio Grande River which allowed infested wildlife and livestock to cross the border. For FY 2001, we apprehended 144 stray and smuggled animals from Mexico, 114 of which were infested with cattle fever ticks. At the end of FY 2002, 55 premises were under quarantine as infested. Of these, 31 were in the permanent tick quarantine zone and 24 were outside the zone. Thus far in FY 2002, 4 new premises are under quarantine. Two of these are in the permanent tick quarantine zone and 2 are outside the zone. In total, there are 10 premises currently under quarantine (6 were carried over from FY 2001). Seven of these are inside the permanent tick quarantine zone and 3 are outside the zone. All infested premises are in full compliance with regulations to ensure that the cattle ticks will not spread. In addition, program officials have apprehended 30 head of cattle, 8 of which were tick infested, and 27 head of horses, 9 of which were infested.

Presently, APHIS has 73 employees devoted to this program. Of the 73 employees, 10 are located in Brownsville; 9 are located in Mission; 9 are located in Rio Grande City; 9 are located in Zapata; 14 are located in Laredo; 12 are located in Eagle Pass; and 10 are located in Del Rio. Currently, there are 6 vacancies; 2 in Brownsville, 1 in Mission, 1 in Rio Grande City, 1 in Zapata, and 1 in Laredo. APHIS has plans to fill these vacancies in FY 2002.

SCREWWORM

Mr. Bonilla: Please provide the Committee with any information that shows work with the Mexican government to develop an alternative use for the Chiapas screwworm facility.

Response: The current Administration in Mexico is devoted to providing opportunities to the residents of Chiapas. They welcomed APHIS' determination that the plant in Chiapas is still useful as a screwworm production facility and that it will remain open for the foreseeable future. If we decide that there is no longer a benefit to U.S. agriculture of maintaining the facility for screwworm prevention, we will work with the Government of Mexico to find alternate uses for the plant.

COMMODITY CREDIT CORPORATION

Mr. Bonilla: Has the agency requested any funds from the Commodity Credit Corporation for emergency purposes in fiscal year 2002? If so, for what programs? What was the amount of the request? Have the funds been apportioned?

Response: The funds have been released from CCC for emergency purposes in FY 2002 for the following programs.

Animal and Plant Health Inspection Service
Commodity Credit Corporation Transfers
Fiscal Year 2002

(As of March 2002)

Program	Amount Apportioned
Chronic Wasting Disease	12,175,567

Infectious Salmon Anemia	8,292,306
Mediterranean Fruit Fly	14,131,574
Total	34,599,447

WILDLIFE PREDATION

Mr. Bonilla: Provide the Committee with a complete update on how the Agency is developing pilot projects for wildlife predation of livestock.

Response: In FY 2001, in cooperation with the Humane Society of the United States and Defenders of Wildlife, APHIS completed a study protocol for pilot studies to evaluate the relative effectiveness of currently available nonlethal predator management methods only versus an integrated wildlife damage management approach APHIS uses.

APHIS pursued cooperators in California, Idaho, and West Virginia to participate in the pilot studies. We cooperated with the Humane Society of the United States--HSUS--to create a small compensation fund to defray the cost of predator losses for cooperators who solely used nonlethal assistance during the first year of the study. Because the study would last several years and require additional compensation funds, we explored the possibility of using commercial insurance policies as a method for covering losses. APHIS planned to have NWRC scientists direct the project with three to five specialists involved in each of the three States. However, we concluded that we should postpone the studies due to lack of adequate funding to conduct them in a scientifically sound manner.

While no funding was provided in FY 2002 to conduct the pilot studies, APHIS received an increase of $500,000 for expanded research on new nonlethal solutions for predator problems. This funding, in combination with current methods development studies, will allow APHIS to place greater emphasis on the development of new nonlethal methods such as broadened contraceptive and immunology methods development; application of new technologies in chemosensory repellent/attractants and engineering to human safety and wildlife damage problems; and, development of new, acceptable wildlife capture systems as alternatives to those perceived as injurious to wildlife or that are unacceptable; and improve information dissemination about nonlethal predator damage management methods.

RABIES CONTROL PROGRAM

Mr. Bonilla: Provide the Committee with a complete update of the rabies control program. How much do you plan to spend on this program in fiscal year 2002?

Response: During FY 2001, several States, including Vermont, New York, Pennsylvania, Ohio, and West Virginia, participated in a coordinated ORVP. The objective of the ORVP was to prevent raccoon rabies from spreading into uninfected areas in the Midwest and further into Ontario and Quebec. The current strategy that the Agency is implementing consists of the distribution of fish-scented baits, mostly by air, that contain vaccine effective in orally immunizing raccoons in defined barriers. To prevent raccoon rabies from spreading beyond the barrier, immune barriers were created at strategic locations along the leading edge of the current distribution of raccoon rabies.

In FY 2001, we assisted cooperators to combat raccoon rabies by distributing approximately 3 million oral rabies vaccine baits over a 8,500 square mile area in Ohio, West Virginia, Pennsylvania, New York, and Vermont. To date, these oral vaccination efforts show good promise for containing raccoon rabies. Additionally, in FY 2001 we participated in several smaller raccoon ORVP and rabies surveillance projects in Florida, Alabama, Virginia, Maryland, and Massachusetts. APHIS continues to cooperate with the State of Texas to prevent the canine strain of rabies from re-emerging in coyotes in the U.S. The Agency is also an important funding and operational partner with the Texas Department of Health in ORVP efforts to contain gray fox variant of rabies in west central Texas.

In FY 2001, we completed several key steps toward formulating a viable National Rabies Control Plan. We completed a programmatic environmental assessment with no negative public comment on the preferred alternative which relies on strategic use of oral vaccination to control terrestrial wildlife rabies. We also completed a comprehensive business plan for the next three years. To complete phase one of the rabies control plan, we will establish a barrier in Alabama, Florida, and in Maine. This would result in a vaccination barrier integrated with land features to contain the spread of raccoon rabies. Once contained, we will begin work toward eliminating the raccoon strain along portions of the existing ORV barrier in Ohio, West Virginia, Pennsylvania, and New York. The program will continue to push the gray fox variant back to the Rio Grande and provide spot treatment if reinfection occurs from Mexico.

In FY 2002, APHIS will use $11.75 million in appropriated funds for rabies control efforts and is considering options for an additional $6.6 million to supplement appropriated funds. This will allow us to control gray fox rabies in Texas; skunk rabies in Wyoming and California; and raccoon rabies in Florida, New York, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and Vermont. In FY 2002, we must continue to extend the barrier in West Virginia south through western Virginia, terminating at the higher elevations of the Appalachian Mountains in eastern Tennessee. In addition, we must extend the northern portion of the barrier from Vermont into New Hampshire, and including parts of eastern Maine, to protect the eastern terminus of the existing barrier; failing to do so will compromise the current ORV barriers leading to the westward spread of raccoon rabies through mountain gaps or through river valleys that serve as high risk movement corridors for the disease.

Mr. Bonilla: Does the Agency anticipate the need to expand the rabies control program to other states?

Response: Rabies continues to pose a threat to spread to uninfected areas and, if not contained, will likely emerge in the eastern Midwest and spread rapidly across the heartland. It also poses the threat to become established in southern Ontario, Quebec, and New Brunswick--locations that could serve as sources of re-infection for the U.S. We should establish and bolster the oral rabies vaccinations--ORV--barriers immediately to prevent rabies from infecting broader geographic areas. By acting in a timely fashion, we will take advantage of the Appalachian Mountains and link this natural barrier with an immune barrier created through strategic ORV. Failing to act now and capitalize on the presence of this geographical barrier will likely result in substantially elevated costs for ORV as a raccoon rabies control strategy in the future, as well as losses of farm animals and increased health costs related to post-exposure treatments. To protect agricultural and human health and safety from the threat of rabies, we must strengthen or expand current ORV barriers in Texas, Ohio, Vermont, Pennsylvania, New York, New Hampshire, West Virginia, and along the U.S./Canada border. In addition, we must expand barriers into such States as Alabama, Florida, Georgia, Kentucky, Maryland, Massachusetts, Mississippi, Virginia, Tennessee, New Jersey, North Carolina, and South Carolina.

Mr. Bonilla: Are their funds in the budget request to expand the rabies control program to other states?

Response: Our FY 2003 budget request includes a $13.7 million increase to cooperate with regionally coordinated oral rabies vaccination--ORV--efforts in Alabama, Florida, Georgia, Kentucky, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Vermont, Virginia, and West Virginia. APHIS will also continue involvement in an ORV program with the Texas Department of Health and others to contain the spread of coyote and gray fox strain of rabies in Texas; with Arizona to delineate the distribution of a unique strain of gray fox rabies and identify ORV measures to control this outbreak; and with western States, such as Wyoming and California, to contain the spread of skunk rabies.

PIERCE'S DISEASE

Mr. Bonilla: Provide the Committee with a complete update of the work the Agency is doing on Pierce's Disease.

Response: APHIS is leading a cooperative program to develop strategies that growers can utilize in managing the Glassy-winged Sharpshooter--GWS--, a vector of Pierce's Disease--PD.

We initiated a pilot study in Kern County, California, in FY 2001 to develop effective plant pest management strategies at the farm level. Because citrus is the primary host plant during the winter months, our strategy involves the treatment of citrus with a foliar insecticide whenever GWSS are in the groves during late winter. This combined with follow-up treatments with a systemic insecticide has maintained GWSS populations at non-detectable levels throughout the year. This GWSS population reduction is essential in the management of PD in the multicrop agricultural area. By reducing GWSS populations in citrus, there are fewer disease vectors that can return to the vineyards in the spring when the vines again become a satisfactory food source. In areas where PD has been identified in the vineyards, this reduction in GWSS helps break the disease-vector-host triangle and reduces the potential for large numbers of insects to vector the disease. Results from the initial year of work indicate that area-wide management strategies that bring growers in an area together to work in a systematic fashion can significantly reduce the incidence of this insect.

In FY 2002, we will continue to monitor the impact of control strategies of GWSS in the study area and include investigations into the potential of using biological control strategies that are less intrusive in the environment. We will continue to search for softer, environmentally friendly compounds to reduce populations of GWSS. We will also focus on disease mitigation in identified vineyards to provide methods to reduce or prevent the spread of PD by the vector.

Also in FY 2002, we will begin transferring the strategies developed in the pilot study in FY 2001 to the County Departments of Agriculture to begin the implementation of an area-wide management program. This technology transfer is being accomplished with the same cooperative spirit that characterized and contributed to the effectiveness of the earlier pilot study.

We have entered into a cooperative agreement with the California Department of Food and Agriculture to conduct statewide surveys for GWSS. This effort is essential to understanding the current infestation and any new areas that may become infested. Regulatory programs are now in place that aid in preventing the spread of the insect from infested counties in the southern part of the State to those counties in the north. Also, treatment programs are in place that have successfully eradicated the insect whenever found in the urban areas in these northern counties. These new insect finds are typically associated with ornamental plants used in these urban areas.

APHIS has provided funds to State and Federal scientists who are studying novel approaches to managing PD. These approaches are more long-term in nature, and are aimed at developing and providing disease resistant varieties of grapes, the possibility of treating diseased vines with a curative material, and investigating the potential for biological control of the disease with similar but competitive organisms.

Mr. Bonilla: How much has been spent to date on Pierce's disease by APHIS?

Response: As of September 30, 2001, APHIS has spent $23,947,263 to combat Pierce's Disease.

Mr. Bonilla: Is the State of California also contributing funds to the Pierce's disease program? If so, how much has the State contributed to date?

Response: Yes, California reports that it has contributed $41.9 million to the Pierce's Disease program as of September 30, 2001.

Mr. Bonilla: Are there any industry groups contributing funds to the Pierce's disease program? If so, which ones and how much have they contributed?

Response: Yes, industry groups have contributed approximately $1,516,000 to the Pierce's Disease program. These groups include the Almond Board, American Vineyard Foundation, Viticulture Foundation, California Citrus Nursery Advisory Board, Citrus Research Board, California Raining Marketing Board, and the California Table Grape Commission.

PALMER ALASKA FACILITY

Mr. Bonilla: Provide the Committee with a complete update regarding the construction of a seed laboratory in Palmer, AK. A. How much has been obligated to date? B. When will the facility be completed?

Response: The Fiscal Year 2001 Supplemental Appropriations Act, Public Law 107-20, allowed the transfer of funds from APHIS' Buildings and Facilities account to the State of Alaska. Thus far they have retained the State Design Authority in the Alaskan Department of Transportation to perform design and construction monitoring. They have obligated $40,000 thus far. They expect to complete design by October 2002 and construction by November 2003.

Mr. Bonilla: Provide the Committee with a complete update regarding the construction of a Post Entry Plant Quarantine Facility in Alaska. A. Where is this facility located? B. How much has been obligated to date? C. When will the facility be completed?

Response: The Post Entry Plant Quarantine Facility will also be located in Palmer, AK, at a former State Forest Nursery. The FY 2001 Supplemental Appropriations Ace, Public Law 107-20 also allowed the transfer of funds for this project from APHIS' Buildings and Facilities account to the State of Alaska. Thus far, they have obligated $250,000 under a personal services contract. They have retained the Department of Transportation design agency to do design and contractual work. They expect the design to be complete by October 2002 and the construction finished by November 2003.

BRUCELLOSIS

Mr. Bonilla: Last year you reported that Florida, Missouri, and Oklahoma were to achieve Class Free status for brucellosis before the end of fiscal year 2001, and that Texas was to achieve Class Free status by the end of 2001. Did this occur?

Response: During FY 2001, three States achieved Class Free status for brucellosis including Florida, Oklahoma, and South Dakota. Missouri did not achieve Class Free status because an affected herd was disclosed in July 2001. The State of Texas did not achieve Class Free status by the end of FY 2001 because one brucellosis affected herd remained under quarantine. This herd was depopulated in January 2002.

Mr. Bonilla: Please provide a copy of the study APHIS was to complete in October of 2001 on the transmission of brucellosis between bison in Yellowstone National Park (YNP).

Response: While the study was completed in October 2001, the results of the study are still being finalized for publication. We will provide a copy of the final report, upon publication, to the Committee.

PROPOSED INCREASES FUNDED OUT OF CCC

Mr. Bonilla: Please provide a table for the record showing all APHIS line items that have proposed increases for fiscal year 2003 that were funded out of the CCC in fiscal year 2002 and the corresponding funding amounts.

[The information follows:]

As of March 2002
(Dollars in Thousands)

	FY 2002 CCC Carryover	FY 2002 CCC Transfer	FY 2003 Budget Request
Asian Longhorned Beetle	18,021	Pending	52,757
Bovine Tuberculosis	51,662	--	20,079
Chronic Wasting Disease	2,619	12,176	7,233
Citrus Canker	40,678	Pending	64,240
Plum Pox Virus	1,850	--	5,551
Mediterranean Fruit Fly 1/	0	14,132	23,258
Scrapie	6,765	--	22,621

1/ An additional $9,130,000 was transferred at the end of FY 2001 for activities in FY 2002.

AGRICULTURAL QUARANTINE INSPECTION

Mr. Bonilla: How much of the $11,979,000 increase for agricultural quarantine inspection will be spent on people and how much will be spent on technology, e.g. x-ray machines and ATS?

Response: Of the $11.9 million, approximately $6.9 million will go toward additional staff costs, including canine teams to enhance inspections. Four million, two hundred thousand dollars will be devoted to further development of the ATS system, and approximately $800,000 would go toward purchasing additional X-ray machines.

Mr. Bonilla: How much is APHIS spending on the development of the ATS out of the fiscal year 2002 supplemental appropriation? B. Does APHIS believe that sufficient funds are available to complete the development of the ATS using supplemental funds?

Response: APHIS plans to spend $7.2 million of the $105 million supplemental funding available on development of the ATS. Full development of the system will require at least $10 million. Once the system is operational, the program will require annual funds of approximately $4 million for maintenance and upgrading. APHIS will also use these funds to make the frequent changes required as Customs' continues to refine their integrated system. Any needs above the $4.2 million in the FY 2003 AQI Appropriated request for future ATS development will be incorporated into AQI user fees.

Mr. Bonilla: What is the total fiscal year 2003 request, across all APHIS line items, that have a foreign animal disease threat implication?

Response: In the fiscal year 2003 request, the following line items have a foreign animal disease or pest implication:

FY 2003 Foreign Animal Disease or Pest - Related Program Request
(Dollars in the Thousands)

Program	FY 2002 Base	Program Increase	Total Program Request 1/
AQI Appropriated	*	11,979	11,979
FMD/Emerging Foreign Animal Diseases	3,898	4,119	8,017
Import/Export (import work only)	4,710	1,012	5,722
AHM&S (FAD investigations)	1,000	0	1,000
AHM&S Surveillance (FMD and other FADs)	0	19,333	19,333

Screwworm	30,797	0	30,797
Tropical Bont Tick	424	0	424
Emergency Management Systems	4,201	6,945	11,146
Wildlife Services Operations (FMD Surveillance)	N/A	8,225	8,225
Veterinary Diagnostics (foreign animal disease and lab quality assurance)	5,865	3,400	9,265
Total	50,895	55,013	105,908

1/ Excluding non-program related changes.

*The base of the AQI program is devoted not only the prevention of plant diseases but also animal diseases from entering the US (i.e. the inspectors screen for prohibited meat and meat products simultaneously). In the new officer training which is a condition of employment for new PPQ Officers, a significant portion of the regulatory decision courses are devoted to preventing the introduction of Foreign Animal Diseases. We have also developed and continuously update an inspectional manual dedicated completely to the detection of prohibited animal products. We cannot, with certainty, estimate how much of the AQI appropriated base is dedicated to foreign animal disease identification.

REGIONALIZATION

Mr. Bonilla: According to the budget justifications, "APHIS does not have adequate resources to review and evaluate requests for regional recognition of animal health status in a timely manner."

a.)How many requests have been delayed because the agency had inadequate resources?

b.)What is the timeframe for a response for such a request to be considered a timely?

c.)What countries or regions of countries have been delayed as a result of not having adequate resources?

d.) Please provide specific examples of the establishment of non-science based barriers to international trade as a result of inadequate resources being available.

e) What is the estimated value of trade lost as a result of this funding shortfall?

Response: APHIS estimates that about 16 requests for regionalization have been delayed because of inadequate resources. We consider a response to a request to be timely within 6 to 9 months after receipt of all the information necessary to make an evaluation. Countries and/or regions which have had requests delayed because of inadequate resources include South Africa, Greece, Portugal, Iceland, and various Mexican States. Specific examples of the establishment of non-science based barriers due to inadequate resources are difficult to cite. Often times, the barriers are not officially connected to any action or inaction that USDA has taken. One such example occurred in calendar year 2000 when Brazil requested that the United States allow the importation of beef from chilled deboned carcasses originating from two Brazilian States, Santa Catarina and Rio Grande do Sul. While Brazil was not considered free from FMD, both Santa Catarina and Rio Grande do Sul were recognized as "free of FMD with vaccination" by the Office International des Epizooties. Due to the Agency's inadequate resources, the response to this request was delayed. While working on the risk assessment for this request, APHIS heard reports that Brazil was considering restricting our wheat exports. There was never any official connection between the delay in our processing of the request and Brazil's talk of restricting our wheat exports, nor did Brazil ever follow through with its restrictions. While the value of trade lost as a result of this funding shortfall is difficult to estimate, APHIS can estimate that through our trade related programs, we resolved more than 67 SPS-related

trade issues involving U.S. agricultural exports, permitting trade worth over $2.5 billion to occur.

PROPOSED USER FEE LEGISLATION

Mr. Bonilla: Your testimony indicated that legislation will be submitted to recover $34 million more in user fees to recover the cost of new license fees in the Packers and Stockyards Administration, additional license fees for facilities regulated under the Animal Welfare Act, and additional grain inspection fees for grain standards.

Obviously, we in congress would need time to review the proposal, hold hearings, pass legislation in both bodies, and conference a bill before it could be signed into law.

Has this legislation been drafted and when does the Administration plan on submitting this legislation to the Congress?

Response: A draft bill to authorize the Secretary of Agriculture to prescribe, adjust, and collect fees to cover the costs for activities related to the review and maintenance of licenses and registrations under the Animal Welfare Act was submitted to the Congress on July 9, 2001.

SECRETARY'S EMERGENCY AUTHORITY

Mr. Bonilla: One of the biggest policy changes in the budget request is the proposal to delete the Secretary's emergency authority to use the CCC to finance emergency pest and disease outbreaks. This authority has been in place since 1984. The proposed language would give the Secretary the authority to use the CCC only for an emergency that was not funded out of the CCC in the previous year.

Mr. Bonilla: For example, funds to combat Asian long-horned beetle, which was funded out of CCC in fiscal year 2002, would not be eligible for CCC funds under the proposed language in fiscal year 2003. Is this correct?

Response: Yes, this is correct.

Mr. Bonilla: Would the language allow you to seek funding to combat Asian long-horned beetle in fiscal year 2004?

Response: We could seek CCC funding if the FY 2004 need was sudden, urgent, and unforeseen. However, we could not do so if the FY 2004 program was a continuation of the FY 2002 and FY 2003 programs.

Mr. Bonilla: How would you respond to a major outbreak of Asian long-horned beetle in fiscal year 2003 if the costs exceeded the funding levels that would be appropriated under this proposal?

Response: As you describe the situation, the major outbreak would be beyond the scope and size used to justify the appropriation. In that event, we would seek a release of CCC funds.

WILDLIFE SERVICES

Mr. Bonilla: How much of a reduction is there in the wildlife services request that reflects the move for cooperators to pick up a larger share of the program? Are there funds available in the budget request to match the Federal government share up to the level of the cooperators share?

Response: The FY 2003 President's budget proposes a funding reduction of $9,960,000. This reduction will not allow APHIS to match the level of every cooperators' share because some States already contribute more than 50 percent of program costs.

Mr. Bonilla: What are the impacts of the $10,000,000 cut for Wildlife Services as proposed by the President's Budget?

Response: The FY 2003 President's budget request calls for cooperators to assume a larger share of the cost of wildlife management programs such as predator damage to livestock throughout the United States, migratory bird and other wildlife damage to crops and aquaculture, invasive species damage, property damage, and protection of threatened and endangered species.

If cooperators do not assume a greater share, we would need to reduce 218 staff years. The cooperator funding currently matching this Federal level totals $19.1 million and 378 staff years.

Mr. Bonilla: What is APHIS doing to meet the congressional mandate of converting radios to narrow banding requirements?

Response: APHIS has made some progress in converting radios to narrow band requirements. For example, the Veterinary Services 'Tick Rider' program has been transitioned to narrow band radio equipment. In addition, APHIS has taken advantage of other wireless technologies to meet some of its radio needs. For example, Plant Protection and Quarantine is outfitting many of its ports with cellular phones with 2-way capability. In metropolitan areas, we are finding cellular phones to be an effective way to meet the need for wireless communication.

APHIS still has approximately 4900 radios (repeaters, base stations, mobiles, and portables) that must be replaced. Some APHIS programs operate almost exclusively in rural areas not covered by cellular companies and must depend on two way radios to communicate effectively. For example, Wildlife Services employees rely on radio systems for personal safety and for communications with aerial operations in remote areas.

APHIS is capitalizing on the narrow banding conversion mandate to make the switch from analog to digital technology. By migrating to digital technology, APHIS is able to take advantage of the efforts of other Federal agencies and can take advantage of narrow band with sharing flexibilities.

MANAGEMENT INFORMATION SYSTEM

Mr. Bonilla: Is the Management Information System in Wildlife Services adequately protected to prevent disclosure of private information that could lead to security threats to those individuals who use the Wildlife Services Program?

Response: We have completed an Information Systems Security Risk Assessment of the current Management Information System--MIS. The assessment included an examination of multiple potential risk factors within subject areas such as confidentiality, integrity, and general security safeguards. Results of the assessment predominantly identified a high level of risk within these areas.

FERAL SWINE

Mr. Bonilla: Feral swine are increasing through the Western and Southern states. What is Wildlife Services doing to deal with the threat of diseases and damage associated with feral swine? Are there plans to provide research support to develop control techniques for feral swine? Does APHIS recognize that feral swine could be a major vector in FMD transmission should it ever enter the U.S.?

Response: APHIS certainly recognizes the significance of disease transmission associated with the presence of feral swine and is concerned with the potential role feral swine could play if FMD entered the U.S. APHIS provides assistance, to varying degrees, to State and Federal veterinarians when conducting monitoring programs for diseases. Feral swine populations can be a potential reservoir for numerous diseases and parasites--e.g., pseudorabies, brucellosis, and leptospirosis--that threaten livestock and deer. APHIS has worked with the Texas Animal Health Commission to assist in

the monitoring of various feral pig diseases. APHIS is collaborating with the Florida Department of Agriculture in research to address disease transmission from feral swine to domestic livesotck, and in development of associated management implementation strategies. APHIS is actively involved in working with feral swine in a number of states including Oklahoma, California, Kansas, Oregon, and Texas.

WS is investigating the use of GnRH as an immunocontraceptive vaccine in domestic hogs in cooperation with Pennsylvania State University. APHIS is considering a national feral swine pseudorabies control research program.

LIVESTOCK PROTECTION PROGRAM

Mr. Bonilla: Wolves are increasing through various government-sponsored experimental areas in the Northern Rockies, the Upper Midwest, and the border Southwest. What impacts are these experimental programs are having on routine livestock protection programs? Is APHIS being adequately reimbursed by the sponsoring Federal agencies?

Response: APHIS' responsibility has increased significantly as a result of the wolf recovery efforts in Montana, Idaho, and Wyoming. There are approximately 500 wolves in these three States, and the populations have migrated from Yellowstone Park and Idaho into neighboring States. Various factors (e.g., terrain, the objective of the operation, and Federal, State, and local regulations) impact wolf damage management activities. Rough terrain requires 4-wheel drive vehicles and more extensive aircraft usage. Also, Federal, State, and local regulations require the use of labor-intensive methods to selectively capture the intended animal and minimize impacts to non-target wolves and other wildlife. Investigations of wolf complaints require we implement an entire range of activities such as: determining if wolves caused the depredation; tracking the offending animals; trapping and relocating the offending animals; and, in some cases, lethal management. Wolf impacts to livestock occur in many different topographic conditions requiring a wide range of approaches. For example, wolf impacts to livestock in Idaho often occur in difficult, inaccessible sites that require use of helicopters, a much more expensive mode of transportation than ground vehicles. An increased number of complaints in Idaho will require more helicopter use and additional costs. In addition, this same increase in activity affects all equipment, such as traps, which leads to more immediate replacement needs. As a result, our ability to quickly resolve some predation problems has decreased. In FY 2001, our personnel responded to more than 120 requests for assistance in these three States and removed 32 wolves. In FY 2001, we used $1 million for the wolf and predator control activities' programs in Montana, Idaho, and Wyoming for the protection livestock resources. In FY 2002, we received an additional $300,000 for wolf and predator control activities in these three States. APHIS receives $100,000 from the U.S. Fish and Wildlife Service to fund a portion of the effort to protect livestock from predation by wolves in Idaho, Montana, and Wyoming.

Gray wolf populations also exist in the Western Great Lakes States of Minnesota, Michigan, and Wisconsin. The Minnesota wolf population has steadily increased from approximately 1,200 wolves in 1979, found only in the remote northeastern parts of the State, to approximately 2,600 wolves now. This population increase has caused a significant southern expansion with a contiguous range now covering approximately 40 percent of the State. Wisconsin began to monitor for wolf populations in 1979, with an initial report of 25 animals. In the late 1980s, this population began to steadily increase to approximately 250 wolves now. In 1995, wolf discoveries occurred in areas south of the northern Wisconsin region. As wolves began to occupy northern Wisconsin, individual wolf observations occurred in the Upper Peninsula of Michigan. We now estimate that approximately 250 wolves inhabit the Upper Peninsula. With such a large and ever expanding natural population of gray wolves, we have been addressing wolf impacts in Minnesota since the mid 1970s. However, population growth and expanding range have resulted in wolves moving into Wisconsin and Michigan. While the increasing incursions of wolves into populated areas of Minnesota have strained existing personnel and

equipment, our Wisconsin and Michigan offices are now facing similar personnel and equipment shortages. In Minnesota, Wisconsin, and Michigan, APHIS responded to approximately 175 requests for assistance with wolf predation on livestock and other domestic animals and during FY 2001 captured 141 wolves.

In addition to gray wolf activities, APHIS cooperates with the Fish and Wildlife Service by providing wildlife damage support to Mexican wolf recovery efforts in New Mexico and Arizona. The entire Mexican wolf population, approximately 30 animals in New Mexico and Arizona, is comprised of reintroduced animals and resulting pups. We are not providing direct assistance to livestock producers in New Mexico and Arizona; however, with the continued implementation of the Mexican wolf recovery program and its potential impact to livestock producers, we anticipate increased demand for our wildlife service programs in these States. During FY 2001, we responded to approximately 30 requests for assistance involving Mexican wolf-human encounters and livestock predation. We respond to these issues using available funding earmarked for other wildlife management activities.

Mr. Bonilla: In many states Wildlife Services protects deer, exotic ungulates and other wildlife from predation by coyotes. What is the agency doing to expand the use of the M-44 device, which is one of the most effective, efficient and selective control methods available, to include the protection of wildlife?

Response: The M-44 device is a restricted-use pesticide that is currently registered with the Environmental Protection Agency--EPA. It is used to control coyotes, red fox, gray fox, and wild dogs to protect livestock, to protect Federally designated threatened or endangered species, or to prevent the spread of communicable disease. EPA has told us that additional data was required to prove the effectiveness of the M-44 for wildlife protection activities. In July 2001, Wildlife Services submitted an application to the EPA for an Experimental Use Permit--EUP--to collect information on the use of M-44s to control coyotes for the protection of sage grouse, a species whose numbers are currently declining. A Federal Register Notice announcing EPA's receipt of the EUP and initiating a 30-day comment period was issued on December 19, 2001. The comment period closed on January 18, 2002. WS is currently waiting for EPA's approval or denial of the application.

OBJECT CLASS BREAKOUT

Mr. Bonilla: The object class breakout in the fiscal year 2002 explanatory notes indicate that no funds are being spent for research and development contracts in fiscal years 1999-2001. The object class breakout in the fiscal year 2003 explanatory notes shows that APHIS spent $69,317,634 in fiscal year 2001 for research and development contracts, and plans to spend $74,723,000 in fiscal year 2002, and $96,646,000 in fiscal year 2003. How did you go from an estimate of zero in 2001 to spending over $69,000,000 that same year?

Response: We regret that the object class breakout is in error. APHIS does not enter into research and development contracts. The costs in this category should have been reported under object classification 25.2, Other Services. Our costs in this category primarily cover cooperative agreements with state agencies and contracts for fee basis veterinarians and back tagging.

We have provided a corrected object class breakout for the record.

[The information follows:]

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
CLASSIFICATION BY OBJECTS
2001 AND ESTIMATED 2002 AND 2003

	2001	2002	2003

Personnel Compensation:				
	Washington, D.C.	$39,443,704	$48,337,000	$52,758,000
	Field	193,950,990	237,683,000	259,424,000
11	Total personnel compensation	233,394,694	286,020,000	312,182,000
12	Personnel Benefits.....	61,887,761	77,414,000	94,440,000
13	Benefits for former personnel.....	574,772	594,000	588,000
	Total pers. comp. & benefits	295,857,227	364,028,000	407,210,000
Other objects:				
21	Travel.....	19,565,810	23,059,000	25,003,000
22	Transportation of things...	5,255,830	5,927,000	6,253,000
23.1	Rent payments to GSA.....	25,684,000	26,709,000	26,709,000
23.2	Rent payments to others.....	7,968,351	9,031,000	9,963,000
23.3	Communications, utilities, and misc.charges.....	5,963,660	6,761,000	7,459,000
24	Printing.....	1,653,343	2,010,000	10,499,000
25.1	Advisory and assistance services.....	43,052,958	46,405,000	59,984,000
25.2	Other services.....	70,923,218	76,436,000	98,866,000
25.3	Purchases of goods and services from Government Accounts.....	3,828,162	4,053,000	5,265,000
25.4	Operation and maintenance of facilities.....	14,569,201	15,655,000	20,263,000
25.6	Medical care.....	391,208	414,000	482,000
25.7	Operation and maintenance of equipment.....	4,230,824	4,557,000	5,894,000
25.8	Subsistence and support of persons	190,914	201,000	262,000
26	Supplies and materials.....	20,764,157	22,925,000	26,924,000
31	Equipment.....	29,317,430	32,049,000	45,365,000
32	Land and structure.....	138,469	140,000	138,000
41	Grants, subsidies, and contributions.....	19,872,054	20,685,000	21,441,000

42	Insurance claims and indemnities.....	644,643	566,000	3,905,000
43	Interest and dividends.....	238,746	240,000	341,000
44	Refunds.....	2,105,000	2,000	2,000
	Total, other objects.....	274,252,084	297,825,000	375,017,000
Total	Direct Obligations.....	570,109,311	661,854,000	787,227,000

Position Data:

Average Salary, ES positions.	130,232	136,092	142,216
Average Salary, GS positions.	46,458	48,548	50,732
Average, GS positions.....	9.07	9.08	9.10

Mr. Bonilla: According to the object class breakout, APHIS will spend $74,723,000 on research and development contracts in fiscal year 2002. How much has been obligated to date?

Response: We regret that the object class break out is in error. APHIS does not enter into research and development contracts. The Agency estimates that $74,723,000 will be spent on cooperative agreements and other non-research and development contracts in FY 2002. To date, APHIS has obligated almost $20 million for these costs.

Mr. Bonilla: Your estimates indicate that you will spend nearly $100,000,000 in fiscal year 2003 on research and development activities. Please tell the Committee what is a research and development contract? How are they used? What entities would such contracts go to? What controls are in place to ensure these contracts are carried out in the way they were intended? Please provide for the Committee the obligating documents for the $69,317,634 that was spent in fiscal year 2001.

Response: APHIS inadvertently placed our ongoing cooperative agreements and other contracts into the research and development contracts category. These include cooperative agreements with State Agencies, fee basis veterinarians and back tagging services and cooperator projects. APHIS does not enter into research and development contracts.

Mr. Bonilla: According to the budget object class breakout, APHIS spent $19,454,810 on travel in fiscal year 2001. Provide the following for the record: destination, number of trips taken, and the costs for trips taken by headquarters personnel; and, destination, number of trips taken, and the costs for trips taken by field personnel. How have these expenditures benefited the Agency, and more importantly American agriculture?

Response: The following reports were generated from the travel database at USDA's National Finance Center.

[The information follows:]

Insert A - HQ Travel Report
Insert B - Field Travel Report

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 HEADQUARTERS TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
RELOCATIONS/OTHER		95	227,114.63
ANTIGUA	AC	1	2,432.54
ANCHORAGE	AK	3	6,210.07
FAIRBANKS	AK	1	2,590.58
ANNISTON	AL	1	434.73
AUBURN	AL	1	616.86
BALDWIN	AL	2	1,514.86
BALDWIN COUNTY	AL	1	802.81
BIRMINGHAM	AL	32	28,443.44
HUNTSVILLE	AL	2	1,279.18
MOBILE	AL	4	3,060.67
MONTGOMERY	AL	2	1,352.90
PHOENIX	AL	1	1,274.23
TUSKEGEE	AL	4	2,103.87
BUENOS AIRES	AR	4	6,355.48
FAYETTEVILLE	AR	2	2,285.90
LITTLE ROCK	AR	10	4,431.18
OTHER	AR	1	857.69
OTHER (PATAGONIA)	AR	1	894.34
PINE BLUFF	AR	1	642.04
BRISBANE	AS	1	204.24
CANBERRA	AS	3	6,671.92
DARWIN	AS	2	3,661.03
MIDURA	AS	1	710.02
MILDURA	AS	2	1,540.18
OTHER	AS	4	3,555.07
APACHE	AZ	1	377.96
GLOBE	AZ	1	458.24
PHOENIX	AZ	16	13,015.70
PIMA COUNTY	AZ	1	687.36
SCOTTSDALE	AZ	1	599.61
TUCSON	AZ	9	9,725.55
BERMUDA	BD	1	1,527.02
BRUSSELS	BE	9	13,141.97
GRAND BAHAMAS	BF	1	1,276.90
NASSAU	BF	1	3,782.76
LA PAZ	BL	1	2,451.77
TRINIDAD	BL	1	995.51
CAMPO GRANDE	BR	1	492.12
CUIABA	BR	1	703.67
SAO PAULO	BR	2	2,917.24
BARBADOS	BS	1	926.70
CAYMEN ISLANDS	BS	1	3,554.18
ALAMEDA	CA	1	824.18
BAKERSFIELD	CA	1	346.07
CALEXICO	CA	1	599.40
CALGARY	CA	3	3,543.76
FRESNO	CA	4	4,196.96
LOS ANGELES	CA	61	75,643.23
MARIN COUNTY	CA	4	3,789.27
MODESTO	CA	1	1,024.89
MONTREAL	CA	2	2,548.16
MONTREAL QUEBEC	CA	1	1,088.40
OAKLAND	CA	3	1,140.05
ONTARIO	CA	1	1,004.04
ORANGE	CA	2	1,550.89
ORANGE COUNTY	CA	4	3,152.79
OTHER	CA	1	811.18
OTTAWA	CA	16	9,135.12
OTTOWA	CA	1	224.74
PRINCE EDWARD IS	CA	1	695.00
PRINCE EDWARD ISLAND	CA	1	469.85
QUEBEC	CA	1	1,077.78
RIVERSIDE COUNTY	CA	1	1,803.86
SACRAMENTO	CA	30	28,533.56
SAN DIEGO	CA	55	68,113.86
SAN FRANCISCO	CA	26	40,637.59
SANTA BARBARA	CA	1	1,597.29
TORONTO	CA	8	5,585.14
VANCOUVER	CA	1	849.40
VANCOUVER (BC)	CA	1	1,189.42
VANCOVER	CA	1	610.26
WHISTLER	CA	1	797.34
YOLO	CA	2	2,246.34

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 HEADQUARTERS TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
BEIJING	CH	6	11,453.28
SANTIAGO	CI	5	7,135.68
ARAPAHOE	CO	2	1,718.43
AURORA	CO	1	453.16
BOGOTA	CO	2	3,362.55
BOULDER	CO	2	2,095.40
COLORADO SPRINGS	CO	9	8,527.52
DENVER	CO	60	41,033.42
FORT COLLIN	CO	2	2,020.06
FORT COLLINS	CO	86	74,520.77
FRISCO	CO	1	719.01
FT COLLINS	CO	5	3,481.22
JEFFERSON COUNTY	CO	8	4,746.77
LARIMER	CO	8	7,625.58
OTHER (VILLAVICENCIO	CO	1	1,743.20
SUMMIT	CO	4	3,036.40
SAN JOSE	CS	4	2,940.90
NEW HAVEN	CT	1	408.84
NORWICH	CT	1	196.85
COPENHAGEN	DA	1	908.78
WASHINGTON	DC	12	5,174.92
DOVER	DE	1	224.87
HARRINGTON	DE	1	81.58
KENT	DE	2	261.38
KENT COUNTY	DE	1	200.71
SANTO DOMINGO	DR	8	9,704.86
CAIRO	EG	2	2,235.31
DUBLIN	EI	1	1,392.40
TALLIN	EN	1	960.06
SUVA	FJ	1	860.99
ORLANDO	FL	1	586.93
BEVERLY HILLS	FL	1	142.12
BRADENTON	FL	1	1,266.50
BROWARD	FL	8	6,703.21
DADE	FL	1	1,012.95
FORT LAUDERDALE	FL	6	3,854.56
FORT PIERCE	FL	1	729.91
GAINESVILLE	FL	7	3,196.27
HOMESTEAD	FL	1	988.94
JACKSONVILLE	FL	4	2,757.46
KEY WEST	FL	2	2,495.13
KEYWEST	FL	1	1,014.40
KISSIMMEE	FL	1	1,128.20
LAKE BUENA VISTA	FL	1	833.73
MIAMI	FL	128	117,773.59
ORLANDO	FL	54	42,428.00
PALM BEACH	FL	1	978.02
PALMETTO (CONUS)	FL	1	357.35
PINELLAS	FL	2	2,287.93
PINELLAS COUNTY	FL	3	3,006.90
POLK COUNTY	FL	1	679.50
TALLAHASSEE	FL	14	9,518.99
TAMPA	FL	14	10,051.81
MONTPELLIER	FR	1	1,001.99
OTHER	FR	1	1,026.45
PARIS	FR	8	9,565.47
STRASBOURGE	FR	1	968.62
ATHENS	GA	6	4,668.18
ATLANTA	GA	31	21,885.22
CONYERS	GA	3	1,374.70
MACON	GA	1	361.48
PERRY	GA	3	1,879.34
SAVANNAH	GA	2	559.08
POINT-A-PITRE	GP	1	882.03
POINTE-A-PITRE	GP	1	519.41
GUATELMALA CITY	GT	1	963.53
GUATEMALA CITY	GT	5	5,223.11
PORT AU PRINCE	HA	1	950.30
HONOLULU	HI	29	65,864.10
ISLE OF HAWAII: HILO	HI	3	6,721.00
HONG KONG	HK	1	4,210.46
BUDAPEST	HU	1	1,246.65
AMES	IA	51	29,852.78
DE MOINES	IA	1	555.63

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 HEADQUARTERS TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
DES MOINES	IA	16	13,592.43
DESMOINES	IA	1	533.80
BLAINE	ID	1	676.63
MOSCOW	ID	1	1,137.92
POCATELLO	ID	1	818.11
TWIN FALLS	ID	2	1,411.83
CHICAGO	IL	42	33,257.00
COOK	IL	4	2,304.37
LAKE	IL	2	3,159.35
INDIANAPOLIS	IN	28	23,444.78
LAFAYETTE	IN	1	737.06
MUMBAI	IN	1	3,136.98
NEW DELHI	IN	1	1,552.61
SOUTH BEND	IN	1	178.20
TEL AVIV	IS	2	8,776.61
ROME	IT	8	14,245.71
TRIESTE	IT	1	1,145.43
TOKYO	JA	4	6,680.48
TOYKO	JA	1	1,830.33
KINGSTON	JM	2	1,977.89
SEOUL	KS	1	1,039.32
TOPEKA	KS	3	2,534.49
BOONE	KY	1	783.58
FLORENCE	KY	9	2,454.58
FRANKLIN	KY	1	832.14
FT MITCHELL	KY	1	748.00
KENTON	KY	1	715.98
LAWERENCE	KY	1	669.41
LEXINGTON	KY	19	18,203.36
LOUISVILLE	KY	6	3,156.55
OWENSBORO	KY	2	626.34
PRESTONSBURG	KY	1	879.52
ALEXANDRIA	LA	1	88.00
BATON ROUGE	LA	5	5,184.63
MINDEN	LA	1	1,015.84
NEW ORLEANS	LA	55	60,782.77
WOODWORTH	LA	1	617.35
RIGA	LG	1	3,752.99
BOSTON	MA	36	34,528.83
CAMBRIDGE	MA	3	2,921.23
FALMOUTH	MA	8	5,023.82
OTIS (CONUS)	MA	1	254.12
QUINCY	MA	1	456.47
SUFFOLK	MA	1	1,772.23
ANNAPOLIS	MD	2	680.65
BALTIMORE	MD	11	7,087.41
BALTIMORE COUNTY	MD	1	202.18
BIRMINGHAM	MD	1	1,155.16
CALVERT	MD	4	1,626.06
CALVERT COUNTY	MD	1	170.16
CONUS	MD	1	184.64
EASTON	MD	12	1,048.32
FREDERICK	MD	29	17,026.84
GAINESVILLE	MD	1	666.49
HAGERSTOWN	MD	1	257.67
LAVALE	MD	3	375.37
LEONARDSTOWN	MD	1	182.57
LUSBY	MD	2	366.81
NEW CARROLLTON	MD	1	413.50
OCEAN CITY	MD	3	805.36
OKLAHOMA CITY	MD	1	581.75
PHILADELPHIA	MD	1	150.15
PRINCE GEORGES	MD	5	4,955.30
PRINCESS ANNE	MD	3	714.67
SALISBURY	MD	1	204.79
SAN DIEGO	MD	2	2,728.94
ST. MICHAELS	MD	2	936.20
TALBOT	MD	8	5,704.92
TALBOT COUNTY	MD	1	388.60
BANGOR	ME	1	151.63
BETHEL	ME	1	842.04
MACHIAS	ME	1	446.98
PORTLAND	ME	3	1,495.12
ALPENA	MI	1	1,617.76

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 HEADQUARTERS TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
ANN ARBOR	MI	1	28.00
DETROIT	MI	3	3,339.95
EAST LANSING	MI	4	3,030.08
GRAND RAPIDS	MI	2	1,035.56
LANSING	MI	4	2,739.88
WAYNE	MI	1	972.02
BLOOMINGTON	MN	2	1,857.13
GRAND RAPIDS	MN	1	1,051.26
HENNEPIN COUNTY	MN	6	6,815.44
MINNEAPOLIS	MN	83	94,527.96
MINNEAPOLIS/ST. PAUL	MN	1	640.75
ST. PAUL	MN	1	774.88
JEFFERSON CITY	MO	1	182.87
KANSAS CITY	MO	20	12,733.49
MALDEN	MO	3	1,041.05
RABAT	MO	1	1,011.29
SIKESTON	MO	1	641.61
SPRINGFIELD	MO	1	969.30
ST. LOUIS	MO	9	7,755.95
BILOXI	MS	1	191.03
COLUMBUS	MS	2	1,926.91
GULFPORT	MS	17	14,016.31
JACKSON	MS	6	2,156.34
STARKVILLE	MS	5	4,853.35
BILLINGS	MT	1	1,094.17
BOZEMAN	MT	5	6,053.96
DUPUYER	MT	2	3,082.58
WEST YELLOWSTONE PAR	MT	1	1,022.50
CANCUN	MX	1	1,362.61
CHIHUAHUA	MX	1	449.69
GUADALAJARA	MX	3	2,357.97
HERMOSILLO	MX	1	605.06
JUAREZ	MX	1	1,244.84
MATAMOROS	MX	1	1,165.42
MAZATLAN	MX	1	557.64
MEXICO CITY	MX	48	45,233.89
MEXICO CITY, D.F.	MX	1	1,117.88
MEXICO CITY,D.F.	MX	1	1,194.75
OTHER	MX	1	1,499.25
TAMPICO	MX	1	646.83
TUXTLA GUTIERREZ	MX	1	1,273.57
YUCATAN	MX	1	1,026.71
KUALA LUMPUR	MY	1	1,275.05
LANGKAWI	MY	1	4,833.32
PENANG	MY	1	599.55
ASHEVILLE	NC	11	10,153.94
ASHVILLE	NC	3	3,155.58
CHARLOTTE	NC	2	1,535.46
CROSSNORE	NC	1	838.62
DURHAM	NC	1	808.25
FAYETTEVILLE	NC	1	630.85
GASTONIA	NC	1	901.98
GREENSBORO	NC	5	4,138.02
OXFORD	NC	1	220.50
RALEIGH	NC	195	92,905.00
RALIEGH	NC	1	104.50
RESEARCH TRIANGLE PK	NC	2	641.58
WILMINGTON	NC	3	1,705.53
BISMARCK	ND	1	1,257.33
BISMARK	ND	1	1,068.18
GARRISON	ND	1	1,033.13
LINCOLN	NE	1	1,046.22
OMAHA	NE	5	5,312.71
CONCORD	NH	1	245.87
MANCHESTER	NH	1	237.47
ATLANTIC CITY	NJ	6	2,634.05
BARDENTOWN	NJ	1	324.04
FLEMINGTON	NJ	1	451.44
JERSEY CITY	NJ	1	666.98
MERCER COUNTY	NJ	1	668.66
MIDDLESEX	NJ	1	378.35
NEWARK	NJ	11	6,762.82
PISCATAWAY	NJ	1	888.96
PRINCETON	NJ	1	284.73

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 HEADQUARTERS TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
TRENTON	NJ	1	306.04
UNION COUNTY	NJ	2	783.96
AMSTERDAM	NL	2	1,935.02
AMSTERDMA	NL	1	1,361.37
ALBUQUERQUE	NM	3	2,989.58
ALBUQUREQUE	NM	1	550.11
ARTESIA	NM	1	882.15
LAS CRUCES	NM	2	2,487.33
OTERO	NM	1	903.53
RUIDOSO	NM	1	581.76
ARUBA	NT	1	849.80
CURACAO	NT	1	853.08
LAS VEGAS	NV	24	22,215.01
RENO	NV	5	3,190.70
WINNEMUCCA	NV	1	518.64
ALBANY	NY	10	4,810.72
BROOKLYN	NY	7	4,313.95
BUFFALO	NY	8	6,128.25
GREENPORT	NY	2	1,183.99
ITHACA	NY	1	669.50
LIVERPOOL	NY	1	345.51
MANHATTAN	NY	12	9,195.84
NASSAU	NY	1	1,009.17
NASSAU COUNTY	NY	12	15,484.06
NASSAU CTY	NY	1	1,003.50
NEW YORK CITY	NY	5	4,883.87
OGDENSBURG	NY	1	719.70
ORANGE COUNTY	NY	3	1,162.22
PALISADES	NY	1	2,725.82
QUEENS	NY	23	17,686.04
SARATOGA SPRINGS	NY	1	387.15
SUFFERN	NY	1	626.34
SUFFOLK	NY	1	314.07
SUFFOLK COUNTY	NY	13	14,670.51
SYRACUSE	NY	3	3,102.40
TARRYTOWN	NY	1	409.84
WHITE PLAINS	NY	1	413.24
WELLINGTON	NZ	2	1,641.66
CINCINATTI	OH	1	474.31
CINCINNATI	OH	4	2,174.04
CLEVELAND	OH	1	330.97
COLUMBUS	OH	6	2,665.03
OKLAHOMA CITY	OK	4	3,097.43
TULSA	OK	3	2,111.23
CLACKAMAS	OR	1	537.30
CORVALLIS	OR	1	2,089.50
EUGENE	OR	2	1,017.94
LINCOLN CITY	OR	2	2,112.94
PORTLAND	OR	6	4,900.43
DELAWARE COUNTY	PA	1	527.19
ERIE	PA	1	609.52
GETTYSBURG	PA	1	271.75
GREENSVURG	PA	1	286.52
HARRISBURG	PA	5	1,261.03
LANCASTER	PA	7	1,560.38
MERCER	PA	1	413.64
PHILADELPHIA	PA	18	7,324.15
PITTSBURGH	PA	2	2,013.40
STATE COLLEGE	PA	1	422.70
WARMINSTER	PA	1	798.94
PANAMA CITY	PM	5	4,159.44
LISBON	PO	3	3,281.84
SAN JUAN	PR	16	32,383.15
PROVIDENCE	RI	1	564.75
MANILA	RP	1	2,600.37
MOSCOW	RS	1	1,275.24
CHARLESTON	SC	2	1,327.98
COLUMBIA	SC	2	1,495.01
HILTON HEAD	SC	1	1,622.68
MYRTLE BEACH	SC	1	484.61
RAPID CITY	SD	2	2,392.74
PILANESBURG	SF	1	1,398.57
PRETORIA	SF	2	3,346.89
SLOVAKIA	SL	1	930.67

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 HEADQUARTERS TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
MADRID	SP	1	683.60
GENEVA	SZ	3	4,486.72
PORT OF SPAIN	TD	1	2,514.32
BANGKOK	TH	3	4,182.26
BANGKOK THAILAND	TH	1	1,312.87
BANKOK	TH	1	570.66
COOKEVILLE	TN	2	632.85
DYERSBURG	TN	1	438.21
JACKSON	TN	4	2,540.57
MCMINNVILLE	TN	1	1,331.96
MEMPHIS	TN	8	4,542.31
MURFREESBORO	TN	2	1,116.79
NASHVILLE	TN	6	4,817.41
SHELBYVILLE	TN	2	802.52
TAIPAEI TRIWAN	TW	1	3,742.25
TAIPEI	TW	4	9,992.88
ABILENE	TX	4	2,487.50
ARINGTON	TX	1	373.37
ARLINGTON	TX	53	45,784.80
AUSTIN	TX	9	6,244.44
BROWNSVILLE	TX	3	3,801.00
CAMERON	TX	2	1,838.91
COLLEGE STATION	TX	6	6,491.67
CORPUS CHRISTI	TX	3	2,726.81
DALLAS	TX	15	13,370.31
EAGLE PASS	TX	1	876.67
EL CAMPO	TX	1	1,613.44
EL PASO	TX	10	9,083.63
ENNIS	TX	1	858.37
FORT WORTH	TX	5	4,341.33
GRAHAM	TX	6	11,906.21
GRANBURY	TX	1	812.86
HALLETTSVILLE	TX	1	737.84
HARLINGEN	TX	2	1,895.42
HIDALGO	TX	3	6,859.47
HOUSTON	TX	22	19,015.62
LAREDO	TX	4	5,574.02
LUBBOCK	TX	4	3,727.19
MCALLEN	TX	30	42,074.46
MIDLAND	TX	1	1,040.70
OLNEY	TX	2	1,542.54
ONLEY	TX	2	1,123.28
PECOS	TX	1	856.15
POTTER COUNTY	TX	2	2,507.51
SAN ANTONIO	TX	50	43,278.81
SOUTH PADRE ISLAND	TX	9	11,620.87
WICHITA FALLS	TX	4	2,604.05
BELFAST	UK	3	2,783.86
EDINBURGH	UK	2	3,329.67
LONDON	UK	8	16,693.38
OXFORD ENGLAND	UK	1	1,274.64
LOGAN	UT	6	3,635.43
PARK CITY	UT	1	857.65
SALT LAKE CITY	UT	14	12,311.87
MONTEVIDEO	UY	1	997.74
PUNTA DEL ESTE	UY	1	1,771.25
ARLINGTON	VA	1	142.00
BLACKSBURG	VA	2	552.74
CHARLOTTESVILLE	VA	6	1,699.73
CHESTERFIELD	VA	1	240.44
FAIRFAX	VA	5	2,177.36
HARRISONBURG	VA	3	754.10
LEXINGTON	VA	3	450.62
LOUDOUN	VA	1	947.33
NORFOLK	VA	9	3,086.37
PETERSBERG	VA	1	205.84
RAONOKE	VA	1	157.75
RICHMOND	VA	1	4,203.73
VIRGINIA BEACH	VA	2	1,000.05
WILLIAMSBURG	VA	3	1,070.55
ST. THOMAS	VI	2	1,883.75
HANOI	VM	1	1,492.57
HOCHIMINH CITY	VM	1	1,010.25
BURLINGTON	VT	16	11,068.23

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 HEADQUARTERS TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
BELLINGHAM	WA	1	731.63
CONUS	WA	1	626.67
KING	WA	1	870.51
OLYMPIA	WA	1	2,805.44
PASCO	WA	4	3,754.57
PORT TOWNSEND	WA	1	372.65
SEATTLE	WA	8	8,069.25
SPOKANE	WA	1	746.60
MADISON	WI	11	8,144.46
MILWAUKEE	WI	2	1,609.26
PORTAGE	WI	1	886.54
RHINELANDER	WI	1	142.21
TOMAHAWK	WI	1	485.30
WI RAPIDS (CONUS)	WI	1	661.58
CHARLESTON	WV	1	61.14
HARPERS FERRY	WV	11	573.98
MORGANTOWN	WV	1	283.02
SHEPERDSTOWN	WV	2	891.97
SHEPHERDSTOWN	WV	10	2,814.49
CASPER	WY	1	933.06
CASPER (CONUS)	WY	1	1,218.22
CHEYENNE	WY	1	1,307.17
JACKSON	WY	2	2,859.64
ROCK SPRINGS	WY	1	426.16
ROCKSPRINGS	WY	1	166.51
TOTALS		2,740	2,557,176.95

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
RELOCATIONS/OTHER		2019	2,237,073.33
ANCHORAGE	AK	15	33,570.43
BARROW	AK	3	5,484.85
FAIRBANKS	AK	10	9,408.05
HOMER	AK	1	381.75
JUNEAU	AK	1	2,467.78
KENAI-SOLDOTNA	AK	1	91.50
KETCHIKAN	AK	1	1,861.08
KODIAK	AK	1	803.20
PINE BLUFF	AK	1	203.08
ALBERTVILLE	AL	1	102.77
ANDALUSIA	AL	2	728.87
ATMORE	AL	2	183.99
AUBURN	AL	10	3,317.28
BALDWIN	AL	27	16,279.18
BALDWIN COUNTY	AL	3	940.30
BIRMINGHAM	AL	102	105,478.42
CAMDEN	AL	7	1,367.14
COLUMBIANA	AL	1	200.88
DOTHAN	AL	4	1,109.55
EUFAULA	AL	2	306.31
FLORENCE	AL	3	345.40
FORT PAYNE	AL	2	140.95
FT PAYNE	AL	1	260.37
GADSDEN	AL	2	276.20
GADSEN	AL	2	262.71
GREENSBORO	AL	1	45.00
GULF SHORES	AL	9	4,412.97
GULFSHORES	AL	12	5,984.91
HUNTSVILLE	AL	22	11,743.71
MARION JCT	AL	1	39.00
MARION JUNCTION	AL	3	288.76
MOBIL	AL	1	866.63
MOBILE	AL	10	7,105.65
MONTGOMERY	AL	30	10,152.18
PELHAM	AL	4	678.54
PERDIDO BEACH	AL	1	1,047.22
POINT CLEAR	AL	1	529.96
TROY	AL	2	692.20
TUSCALOOSA	AL	1	87.90
TUSKEGEE	AL	6	5,482.46
BARILOCHE	AR	1	464.00
BATESVILLE	AR	1	182.68
BENTON	AR	1	22.50
BENTONVILLE	AR	2	501.53
BUENOS AIRES	AR	8	14,843.22
CLARKSVILLE	AR	1	89.61
CLINTON	AR	1	135.00
CONWAY	AR	5	1,297.72
CRAWFORD	AR	1	186.02
DEQUEEN	AR	2	471.60
DERMOTT	AR	1	357.46
DESHA COUNTY	AR	2	90.00
DEWITT	AR	2	90.00
EL DORADO	AR	1	97.59
EUREKA SPRINGS	AR	2	277.11
FAULKNER	AR	1	379.48
FAYETTEVILLE	AR	18	4,389.46
FOREST CITY	AR	2	1,762.32
FORREST CITY	AR	1	100.00
FORT SMITH	AR	5	598.90
FT. SMITH	AR	1	105.57
HARDY	AR	6	842.57
HARRISON	AR	13	4,071.94
HEBER SPRINGS	AR	1	90.00
HOPE	AR	5	571.83
HOT SPRINGS	AR	3	586.48
JONESBORO	AR	2	1,244.84
LAKE VILLAGE	AR	2	202.50
LITTLE ROCK	AR	39	13,738.16
LITTLE ROCK/POLASKI	AR	1	359.18
MCGEHEE	AR	1	112.50
MENA	AR	3	458.95
MONTICELLO	AR	1	93.46

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
MOUNTAIN HOME	AR	1	176.03
MOUNTAIN VIEW	AR	3	706.06
NASHVILLE	AR	3	605.01
OTHER	AR	9	7,409.28
OZARK	AR	2	327.20
OZARKS	AR	2	299.51
PINE BLUFF	AR	9	3,128.08
POCAHANTAS	AR	1	159.43
POCAHONTAS	AR	3	378.55
POHONTAS	AR	1	87.23
POPE	AR	4	434.17
PULASKI	AR	1	167.95
RECTOR	AR	1	45.00
REYDEL	AR	1	67.50
ROGERS	AR	1	101.01
RUSSELLVILLE	AR	2	263.84
STAR CITY	AR	1	67.50
STUTTGART	AR	1	135.00
TEXARKANA	AR	3	357.53
VAN BUREN	AR	1	211.45
SIDNEY	AS	1	4,796.20
BRISBANE	AS	1	4,617.86
MELBOURNE	AS	3	9,767.62
SYDNEY	AS	1	1,319.87
VIENNA	AU	6	17,595.24
VIENNE	AU	1	2,877.44
APACHE	AZ	1	120.18
APACHE COUNTY	AZ	6	1,172.25
CHANDLER	AZ	2	413.12
CHINLE	AZ	1	141.60
DOUGLAS	AZ	2	748.50
FLAGSTAFF	AZ	26	12,927.66
GILA	AZ	1	258.83
GILA COUNTY	AZ	5	735.00
GLOBE	AZ	1	92.00
GRAHAM COUNTY	AZ	7	645.00
GREENLEE COUNTY	AZ	7	1,890.00
HON DAH	AZ	1	419.54
KINGMAN	AZ	2	499.90
LA PAZ	AZ	1	84.00
MARICOPA	AZ	40	46,931.98
MARICOPA COUNTY	AZ	7	1,770.80
MOHAVE COUNTY	AZ	6	3,331.02
MT APACHE RESERV	AZ	1	1,149.89
NAVAJO	AZ	2	1,491.53
NAVAJO COUNTY	AZ	7	1,035.00
NOGALES	AZ	13	11,244.98
PAGE	AZ	2	370.11
PARKER	AZ	3	456.86
PAYSON	AZ	2	961.50
PHOENIX	AZ	138	83,682.19
PIMA	AZ	1	744.62
PINAL	AZ	1	461.81
SAN CARLOS	AZ	1	250.11
SAN LUIS	AZ	1	327.96
SCOTTSDALE	AZ	1	213.97
SIERRA VISTA	AZ	2	350.63
SPRINGERVILLE	AZ	1	355.00
ST MICHAELS	AZ	1	110.40
TEMPE	AZ	2	774.59
TUCSON	AZ	32	20,673.60
TUCSON/PIMA	AZ	1	1,304.62
TUSCON	AZ	1	443.13
WHITE MTN APACHE RES	AZ	1	334.86
WILCOX	AZ	11	1,418.84
WILLCOX	AZ	4	424.05
WILLIAMS	AZ	1	308.06
YAVAPAI	AZ	1	250.01
YAVAPAI COUNTY	AZ	3	390.04
YUMA	AZ	22	7,342.94
YUMAA	AZ	1	126.65
GABORONE	BC	1	589.82
BERMUDA	BD	1	991.63
BERMUDA (HIGH)	BD	1	1,842.02

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
BRUSSELS	BE	6	7,310.39
FREEPORT	BF	1	190.25
NASSAU	BF	14	17,774.04
NASSUA	BF	1	818.35
DHAKA	BG	1	1,845.45
OTHER	BH	2	712.25
COCHABAMBA	BL	3	3,958.58
LA PAZ	BL	6	4,345.61
LAPAZ, BOLIVIA	BL	1	3,018.46
SANTA CRUZ	BL	8	6,549.80
TRINIDAD	BL	14	15,078.75
BRASILIA	BR	3	3,361.12
OTHER	BR	5	2,977.06
PORTO ALEGRE	BR	1	865.10
PORTO ALEGREE	BR	1	2,827.69
RIO DE JANEIRO	BR	2	1,949.49
SALVADOR DA BAHIA	BR	1	565.19
SAO PAULO	BR	6	10,837.21
TORSOTO	CA	1	1,141.75
ALAMEDA	CA	4	2,085.58
ALBERTA	CA	2	3,166.16
ANAHEIM	CA	1	1,655.98
ANDERSON	CA	1	93.40
BAKERSFIELD	CA	7	3,291.39
BELL	CA	2	1,904.92
BERKELEY	CA	1	149.69
BISHOP/INYO	CA	1	206.56
BRAWLEY	CA	2	207.64
CALEXICO	CA	2	1,049.90
CALEXICO IMPERIAL	CA	1	291.43
CALGARY	CA	18	28,357.11
CALGARY AB	CA	1	1,000.52
CALGARY(ALTA)	CA	1	470.37
CHICO	CA	5	498.88
CONTRA COSTA	CA	1	663.24
CONTRA COSTA COUNTY	CA	1	1,593.42
CORCORAN	CA	1	57.00
CORCORAN,KINGS	CA	1	130.64
DAVIS	CA	7	7,098.88
DYE CREEK	CA	1	135.86
EL CAJON	CA	1	1,243.25
EL CENTRO	CA	3	1,712.45
EUREKA	CA	2	486.20
FALLBROOK	CA	1	147.48
FORT COLLINS	CA	2	1,250.25
FREMONT	CA	1	104.51
FRESNO	CA	16	7,118.80
FRISCO	CA	1	517.25
GRIDLEY	CA	1	94.00
GUELPH	CA	1	2,055.71
HAYWARD	CA	1	119.00
HUMBOLD	CA	1	273.82
HUMBOLDT	CA	1	121.15
HUMBOLT	CA	1	274.62
IMPERIAL	CA	2	673.82
IMPERIAL COUNTY	CA	2	654.99
INYO	CA	2	543.92
KERN	CA	5	3,592.50
KERN COUNTY	CA	12	5,736.46
LA QUINTA	CA	1	2,500.29
LAS VEGAS	CA	1	983.50
LOS ANGELES	CA	166	168,951.32
LOS ANGLES	CA	1	45.00
MANITOBA	CA	1	3,209.68
MARICOPA	CA	1	229.34
MARIN COUNTY	CA	2	494.55
MERCED	CA	1	435.80
MOJAVE	CA	1	333.27
MONCTON	CA	1	353.04
MONTEREY	CA	14	8,368.27
MONTREAL	CA	18	26,743.03
MONTREAL (QUE)	CA	1	1,838.53
MONTREAL(QUE)	CA	8	5,722.19
MONTREAL, QUEBEC	CA	2	4,158.94

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
MONTRELA	CA	1	1,372.74
MORGAN HILL	CA	2	350.46
MOUNT SHASTA	CA	1	80.20
NEW BRUNSWICK	CA	1	345.57
OAKLAND	CA	9	7,232.22
ONTARIO	CA	26	11,571.66
ORANGE	CA	7	7,874.55
ORANGE COUNTY	CA	10	8,886.28
ORINDA	CA	1	107.00
OTHER	CA	2	4,236.87
OTTAWA	CA	10	10,085.96
OTTAWA(ONT)	CA	2	1,254.04
OXNARD	CA	3	1,686.10
PASO ROBLES	CA	2	287.63
PENTICTION B.C.	CA	1	423.38
PENTICTON	CA	2	1,920.80
PENTICTON, B.C.	CA	1	823.40
PETALUMA,SONOMA	CA	1	151.80
PINOLE	CA	1	230.18
PLACER	CA	2	126.00
PORT HUNEME/VENTURA	CA	1	146.25
PRINCE EDWARD IS	CA	1	1,940.67
PRINCE EDWARD IS.	CA	1	802.07
PRINCE EDWARD ISLAND	CA	2	4,289.24
QUEBEC	CA	3	1,826.93
QUEBEC (QUE)	CA	1	733.64
RANCHO CORDOVA	CA	1	133.56
REDDING	CA	1	105.50
RIVERSIDE	CA	35	14,538.62
RIVERSIDE COUNTY	CA	3	5,054.96
SACRAMENTO	CA	248	205,406.96
SACREMENTO	CA	2	1,833.63
SACRMENTO	CA	1	1,182.00
SALINAS	CA	1	105.89
SAN DIEGO	CA	1	1,809.49
SAN BERNADINO	CA	4	1,056.80
SAN BERNARDINO	CA	10	2,706.40
SAN DIEGO	CA	217	183,675.09
SAN FRANCISCO	CA	59	83,286.15
SAN FRANCSICO	CA	1	833.24
SAN JOSE	CA	9	10,600.01
SAN LUIS OBISBO	CA	1	862.61
SAN LUIS OBISPO	CA	3	1,472.52
SAN MATEO	CA	137	370,962.57
SANTA BARBARA	CA	2	999.24
SANTA CLARA	CA	6	3,244.46
SANTA CRUZ	CA	4	1,668.40
SANTA ROSA	CA	3	533.70
SASKATCHEWAN	CA	1	791.57
SHASTA	CA	3	383.40
SOLANO	CA	1	578.18
SOLANO COUNTY	CA	5	3,739.22
SONOMA	CA	4	923.45
SONOMA COUNTY	CA	1	671.31
TEHAMA	CA	1	91.79
TORONTO	CA	5	20,012.63
TORONTO (ONT)	CA	15	15,807.71
TRACY	CA	1	96.49
TULARE	CA	4	1,011.40
VALLEJO	CA	3	479.06
VANCOUVER	CA	3	2,288.03
VANCOUVER (BC)	CA	4	3,654.48
VANCOUVER, B.C.	CA	1	426.43
VENTURA	CA	4	925.15
VENTURA COUNTY	CA	3	1,932.78
VICTORVILLE	CA	3	359.00
VISALIA	CA	4	545.66
WALNUT CREEK	CA	1	130.09
WEST SACRAMENTO	CA	5	2,898.60
WILLIAMS LAKE CANADA	CA	1	1,690.96
WINNIPEG	CA	4	2,047.95
WOODLAND	CA	2	1,446.39
YOLO	CA	20	15,803.38
YOLO COUNTY	CA	3	2,336.78

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
BEIJING	CH	5	17,427.31
GUANGZHOU	CH	1	824.10
OTHER	CH	1	144.79
SHANGHAI	CH	1	7,553.23
OTHER	CI	2	525.05
SANTIAGO	CI	8	17,458.33
ADAMS	CO	26	20,428.58
ADAMS COUNTY	CO	1	207.97
ALAMAOSA	CO	1	109.29
ALAMOSA	CO	17	4,753.03
ARAPAHOE	CO	32	29,400.79
AURORA	CO	2	249.96
BOGOTA	CO	1	873.16
BOULDER	CO	2	674.80
BUENA VISTA	CO	1	201.49
CANON CITY	CO	5	1,599.74
CANON CREEK	CO	1	133.00
CARTAGENA	CO	1	681.19
COLORADA SPRINGS	CO	1	974.12
COLORADO SPRINGS	CO	34	15,746.82
CONEJOS	CO	1	45.00
COPPER MOUNTAIN	CO	2	793.00
CORTEZ	CO	16	3,240.48
COSTILLA	CO	1	45.00
CRAIG	CO	7	1,125.20
DELTA	CO	3	669.37
DENVER	CO	236	160,805.32
DENVER COUNTY	CO	1	998.62
DURANGO	CO	10	2,673.25
EAGLE	CO	19	3,238.18
EAST FORK	CO	2	300.00
ENDLICH MESA	CO	1	45.00
ENGLEWOOD	CO	5	4,390.83
FAIRPLAY	CO	1	45.00
FORT COLLINS	CO	257	219,839.50
FOT COLLINS	CO	1	835.43
FRISCO	CO	7	3,100.67
FT COLLINS	CO	20	17,724.27
FT. COLLINS	CO	8	6,258.90
GLENWOOD SPRINGS	CO	3	978.15
GOLDEN	CO	2	250.08
GRAND JUNCTION	CO	14	4,359.28
GREELEY	CO	1	402.00
IGNACIO	CO	3	343.81
JA JUNTA	CO	1	75.00
JEFFERSON	CO	6	2,253.07
JEFFERSON CITY	CO	1	984.55
JEFFERSON COUNTY	CO	79	36,548.03
KERRVILLE	CO	1	614.56
LA JUNTA	CO	11	1,779.43
LA PLATA	CO	4	494.00
LAJUNTA	CO	2	333.02
LAKEWOOD	CO	38	17,313.47
LAMAR	CO	3	485.94
LARIMER	CO	36	28,372.58
LARIMER COUNTY	CO	4	2,653.74
LIMON	CO	1	97.74
LOST PARK	CO	1	45.00
LOVELAND	CO	6	6,671.79
MEDELLIN	CO	5	1,403.72
MEDFORD	CO	1	728.00
MEEKER	CO	2	466.05
MOFFAT	CO	10	1,438.80
MONTROSE	CO	6	1,871.35
OTHER	CO	5	1,534.74
OURAY	CO	1	93.22
PAGOSA SPRINGS	CO	1	232.02
PAONIA	CO	2	90.00
PARK CITY	CO	1	45.00
POWERS	CO	1	103.85
PRINCE GEORGES	CO	1	843.50
PUEBLO	CO	5	1,192.42
RIFLE	CO	1	84.60
RIO BLANCO	CO	4	480.00

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
ROUTT	CO	10	684.00
SALIDA	CO	4	412.97
SAN MIGUEL	CO	4	351.00
SPRINGFIELD	CO	1	84.90
STEAMBOAT	CO	1	299.85
STEAMBOAT SPRINGS	CO	6	2,945.10
STERLING	CO	1	373.45
SUMMIT	CO	49	36,384.10
SUMMIT COUNTY	CO	2	482.69
TRINIDAD	CO	4	1,526.27
VIRGINIA CREEK	CO	1	133.00
WALSENBURG	CO	1	185.79
WOLCOTT	CO	1	161.00
WOODLAND PARK	CO	1	192.70
YUMA	CO	1	84.86
350	CO	1	133.00
SAIPAN	CQ	3	5,385.25
OTHER	CS	4	1,238.87
SAN JOSE	CS	6	3,984.18
SAN JOSE C R	CS	1	337.05
GROTON	CT	1	276.16
HARTFORD	CT	7	2,527.66
NEW HAVEN	CT	10	3,629.18
NEW HAVEN COUNTY	CT	1	143.24
STORES	CT	1	325.50
WALLINGFORD	CT	1	136.52
ZAGREB	CY	1	357.20
PRAGUE	CZ	2	1,775.99
COPENHAGEN	DA	1	319.88
PRINCE GEORGE	DC	1	1,179.23
WASHINGTON	DC	436	412,562.92
WASHTINGTON	DC	1	384.87
DOVER	DE	3	1,303.63
HARRINGTON	DE	4	1,733.19
KENT	DE	4	2,288.74
LEWES	DE	2	423.52
NEW CASTLE	DE	6	3,690.71
NEWARK	DE	2	709.37
NEWCASTLE	DE	2	592.10
SUSSEX	DE	1	496.97
WILMINGTON	DE	7	11,644.73
OTHER	DR	2	264.95
SANTO DOMINGO	DR	13	14,790.73
GUAYAQUIL	EC	1	1,079.40
OTHER	EC	3	5,024.29
QUITO	EC	2	3,224.23
DUBLIND	EI	1	2,825.93
TALLINN	EN	2	987.55
SAN DALVADOR	ES	1	1,613.71
SAN SALVADOR	ES	6	7,072.15
ALACHUA	FL	1	564.80
ALMA	FL	1	96.25
ALTAMONTE SPRINGS	FL	3	1,445.34
AMELIA ISLAND	FL	1	1,104.06
APOPKA	FL	12	2,468.05
AVON PARK	FL	1	1,049.40
BAY	FL	2	169.00
BRADENTON	FL	6	2,141.90
BRANDON	FL	1	127.38
BREVARD	FL	2	487.14
BROWARD	FL	17	9,140.27
CHIPLEY	FL	1	167.70
CLEWISTON	FL	1	447.35
COLLIER	FL	2	1,142.10
DADE	FL	10	4,840.10
DAVENPORT	FL	1	94.82
DAYTONA BEACH	FL	25	18,829.41
DUVAL COUNTY NAVAL S	FL	3	1,372.31
ELLENTON	FL	1	115.03
FORT LAUDERDALE	FL	18	10,005.83
FORT MEYERS	FL	5	1,096.72
FORT MYERS	FL	18	4,490.93
FORT PIERCE	FL	41	10,953.85
FORT WALTON BEACH	FL	1	420.56

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
FT LAUDERDALE	FL	10	2,325.15
FT MYERS	FL	6	3,103.63
FT PIERCE	FL	2	338.82
FT WALTON	FL	1	116.18
FT. LAUDERDALE	FL	1	297.76
FT. MEYERS	FL	1	115.00
FT. PIERCE	FL	4	1,382.27
FT.PIERCE	FL	1	291.55
GAINESVILLE	FL	100	57,310.55
GAINSVILLE	FL	2	242.77
HAMILTON COUNTY	FL	1	30.70
HILLSBOROUGH	FL	2	579.55
HOMESTEAD	FL	2	413.70
INDIAN ROCKS	FL	1	551.40
INDIAN ROCKS BEACH	FL	2	1,629.00
JACKSONVILLE	FL	10	8,934.55
KEY WEST	FL	6	4,509.39
KISSAMMEE	FL	1	760.75
KISSIMMEE	FL	7	7,677.76
LAKE BUENA VISTA	FL	1	442.17
LAKE CITY	FL	1	397.89
LAKE PLACID	FL	14	3,894.20
LAKELAND	FL	3	1,508.80
LEON	FL	2	724.42
MAIMI	FL	1	370.99
MANATEE	FL	18	4,382.81
MARIANNA	FL	1	95.95
MARTIN	FL	1	1,537.85
MIAMI	FL	199	226,279.41
MILTON	FL	1	45.00
MONROE	FL	2	1,554.46
MOUNT DORA	FL	1	57.00
NAPLES	FL	3	622.19
NEWPORT RICHEY	FL	1	83.00
OCALA	FL	1	371.00
OKALOOSA	FL	2	986.14
OKEECHOBEE	FL	15	3,857.00
ORANGE	FL	9	3,221.57
ORANGE COUNTY	FL	1	3,150.00
ORLANDO	FL	252	326,721.35
PALM BAY	FL	1	1,148.84
PALM BEACH	FL	7	3,037.60
PALM BEACH COUNTY	FL	1	253.00
PALMETTO	FL	12	2,972.09
PANAMA CITY	FL	5	1,619.79
PANAMA CITY BEACH	FL	1	813.65
PENSACOLA	FL	3	1,133.73
PINELLAS	FL	7	5,012.18
PLANTATION	FL	1	300.88
POLK	FL	8	5,333.51
POLK COUNTY	FL	3	613.98
PORT CANAVERAL	FL	3	1,283.13
PRINCE GEORGES	FL	1	440.78
ROYAL PALM BEACH	FL	1	204.00
RUSKIN	FL	1	132.75
SAINT LUCIE	FL	4	1,392.17
SANFORD	FL	3	1,325.10
SANTA ROSA	FL	2	504.07
SARASOTA	FL	3	681.74
SEMINOLE	FL	9	4,638.56
ST JOHNS	FL	4	741.10
ST LUCIE	FL	1	243.50
ST PETERSBURG	FL	2	1,267.04
ST. AUGUSTINE	FL	1	445.68
ST. VINCENT ISLAND	FL	1	45.00
STUART	FL	1	132.67
SUWANNEE	FL	1	348.99
TALLAHASSE	FL	1	377.34
TALLAHASSEE	FL	41	27,704.46
TAMPA	FL	92	53,898.41
TAVARES	FL	1	195.00
VERO BEACH	FL	6	1,181.12
VIRGINIA BEACH	FL	1	90.91
VOLUSIA	FL	2	1,004.75

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
WAUSAU	FL	1	278.54
WEST PALM BEACH	FL	5	3,612.25
WINTER HAVEN	FL	18	6,781.57
WINTERHAVEN	FL	1	354.10
LYON	FR	1	4,373.28
PARIS	FR	21	23,343.48
ALBANY	GA	8	2,287.17
ALMA	GA	12	1,302.20
ATHENS	GA	33	23,152.21
ATLANTA	GA	77	79,616.55
ATLANTA FULTON	GA	1	655.07
AUGUSTA	GA	18	6,900.13
BACONTON	GA	1	22.50
BAINBRIDGE	GA	6	2,995.31
BLAIRSVILLE	GA	2	195.28
BLUE RIDGE	GA	2	879.31
BRUNSWICK	GA	15	7,089.71
BYRON	GA	1	84.76
CALTON COUNTY	GA	1	269.86
CAMILLA	GA	1	106.60
CARTERSVILLE	GA	1	105.48
CENTERVILLE	GA	1	105.48
CHATHAM	GA	4	1,255.88
CHATSWORTH	GA	1	45.00
CLAYTON COUNTY	GA	1	95.39
COLUMBIA	GA	1	212.67
COLUMBUS	GA	1	114.84
COMMERCE	GA	2	599.57
CONYERS	GA	24	4,885.97
CORNELIA	GA	1	188.72
COVINGTON	GA	1	106.60
CREST	GA	1	684.38
DALTON	GA	2	493.02
DECATUR	GA	1	1,025.30
DEKALB	GA	1	377.17
DEKALB COUNTY	GA	3	3,153.27
DEKLAB	GA	1	112.60
DONALSONVILLE	GA	1	65.69
DUBLIN	GA	2	315.84
ELLIJAY	GA	2	194.24
FORT VALLEY	GA	1	211.24
FULTON	GA	1	518.31
GAINESVILLE	GA	2	386.69
GILMER	GA	2	299.99
GLENCO	GA	2	748.30
GLYNCO	GA	45	28,227.41
GLYNGO	GA	1	594.00
HOUSTON	GA	1	188.00
JACKSON	GA	1	101.45
JEKYLL ISLAND	GA	4	2,881.98
JEKYLLE ISLAND	GA	1	678.30
JONESBORO	GA	1	103.75
LA GRANGE	GA	1	151.00
LAGRANGE	GA	1	75.00
LAWRENCEVILLE	GA	1	178.58
MACON	GA	11	1,672.22
METTER	GA	1	106.00
MOULTRIE	GA	1	67.50
MOUTRIE	GA	1	22.50
NEWTON	GA	3	766.46
OAKWOOD	GA	10	2,019.11
PERRY	GA	2	1,390.49
RANDOLPH	GA	1	203.29
RICHMOND	GA	1	70.71
RICHMOND HILL	GA	1	216.68
SAVANNAH	GA	12	5,075.43
ST MARYS	GA	4	563.34
ST. SIMONS	GA	1	555.89
SUMMERVILLE	GA	1	147.49
THOMASVILLE	GA	22	8,392.83
TIFTON	GA	3	864.01
VALDOSTA	GA	3	237.70
WARNER ROBINS	GA	2	212.02
WINDER	GA	2	395.76

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
BERLIN	GE	1	637.47
BERLIN EST)	GE	1	1,358.73
FRANKFURT	GE	1	385.05
FREISING	GE	1	1,272.17
HANOVER	GE	1	1,488.88
HEIDELBERG	GE	1	375.47
LEIPZIG	GE	2	2,231.44
OTHER	GE	5	3,642.25
STUTTGART	GE	1	758.07
ACCRA	GH	1	2,487.20
GOSIER	GP	1	1,921.76
GUATEMALA	GT	1	581.54
GUATEMALA CITY	GT	16	32,901.97
OTHER	GT	5	6,494.66
PUERTO BARMOS	GT	1	2,707.86
PORT-AU-PRINCE	HA	1	257.35
HILO	HI	2	641.82
HONOLULU	HI	64	144,164.77
ISLAND OF KAUI	HI	1	230.76
ISLAND OF MAUI	HI	1	366.58
ISLE OF HAWAII HILO	HI	1	266.24
ISLE OF HAWAII: HILO	HI	6	5,244.84
ISLE OF HAWAII: OTHE	HI	2	595.98
ISLE OF HAWAII:HILO	HI	1	426.44
ISLE OF HAWAII:OTHER	HI	1	473.17
ISLE OF KAUAI	HI	5	13,250.43
ISLE OF MAUI	HI	3	2,523.22
ISLE OF OAHU	HI	21	21,921.75
KAHULUIMAUI	HI	1	166.40
LIHUE	HI	1	119.86
PORT AU PRINCE	HI	1	592.60
HONG KONG	HK	2	3,741.47
SANPEDRO SULA	HO	1	3,182.59
TEGUCIGALPA	HO	4	2,103.87
BUDAPEST	HU	2	506.09
ADAIR	IA	1	94.37
ALTOONA	IA	2	379.12
ALTOOONA	IA	1	126.04
AMES	IA	146	106,323.91
ANAMOSA	IA	1	103.57
AUDUBON/LEMARS	IA	1	103.80
BETTENDORF	IA	1	398.74
BUENA VISTA	IA	1	93.75
BURLINGTON	IA	6	1,901.15
CARTER LAKE	IA	3	729.15
CEDAR RAPID	IA	1	214.92
CEDAR RAPIDS	IA	2	336.88
CHARLES CITY	IA	3	273.86
CLEAR LAKE	IA	3	305.50
CORALVILLE	IA	5	1,024.10
COUNCIL BLUFFS	IA	2	179.60
CRESTON	IA	1	272.60
DAVENPORT	IA	6	3,154.76
DECORAH	IA	2	319.36
DENISON	IA	1	86.34
DENNISON	IA	1	83.15
DES MOINES	IA	55	25,548.89
DESMOINES	IA	1	953.37
DOBUQUE	IA	1	187.00
DUBUGUE	IA	1	198.18
DUBUQUE	IA	13	2,763.11
FAIRFIELD	IA	1	95.88
FORT COLLINS	IA	1	693.22
FORT DODGE	IA	4	1,039.92
FORT MADISON	IA	1	105.50
FT DODGE	IA	4	676.80
HARLAN	IA	1	164.08
IOWA FALLS	IA	1	103.30
KEOKUK	IA	1	189.40
LINN CITY	IA	1	296.32
MANCHESTER	IA	2	1,129.72
MASON CITY	IA	4	1,296.25
MISSOURI VALLEY	IA	2	274.65
MOUNT PLEASANT	IA	4	484.77

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
MT. PLEASANT	IA	1	208.01
MUSCANTINE	IA	1	191.48
MUSCATINE	IA	2	782.60
NEWTON	IA	1	88.95
ORANGE CITY	IA	2	394.25
PERRY	IA	2	188.28
POLK	IA	6	3,066.26
ROCK VALLEY	IA	1	240.46
SHELDON	IA	2	420.81
SIBLEY	IA	1	246.75
SIOUX	IA	1	335.98
SIOUX CENTER	IA	4	630.65
SIOUX CITY	IA	16	3,167.42
SPENCER	IA	1	47.69
SPENCER/CLAY	IA	1	44.89
STORM LAKE	IA	3	503.25
STORY	IA	3	859.50
STORY COUNTY	IA	2	1,541.45
WATERLOO	IA	2	213.20
WAVERLY	IA	2	425.50
ARCO	ID	3	880.20
ARCO BUTTE CO	ID	1	445.50
ARROW ROCK CAMP	ID	1	117.00
BANNOCK CAMP	ID	1	117.00
BARTON FLATS CAMP	ID	1	854.05
BENEWAH CAMP	ID	2	143.00
BLAINE	ID	1	507.00
BLAINE CAMP	ID	5	1,656.52
BOISE	ID	39	15,334.78
BOISE FOREST	ID	2	351.00
BONNER	ID	1	356.19
BONNERS FERRY	ID	3	1,193.29
BOSTERRER CAMP	ID	1	117.00
BUCK CAMP	ID	1	65.00
BURLEY	ID	4	411.55
CAMP	ID	3	403.00
CAMP BLAINE	ID	2	494.00
CAMP BLAINE CO	ID	1	273.00
CHALLIS	ID	8	2,817.18
CHILLI BUTTE CAMP	ID	1	312.00
COEUR D'ALENE	ID	3	858.52
COUER D'ALENE	ID	1	252.47
COW CR CAMP	ID	1	78.00
COYOTE CREEK	ID	1	312.00
COYOTE CRK CAMP	ID	2	468.00
CROOKED RV CAMP	ID	1	39.00
CUSTER CAMP	ID	1	294.89
DRIGGS	ID	1	98.70
EASTPORT	ID	1	718.01
ELMORE	ID	1	286.00
EMMETT	ID	4	741.80
FLINT-HARTLEY	ID	1	104.00
GOODING	ID	11	1,745.14
GOODING CAMP	ID	4	865.75
GRACE	ID	2	443.65
GRANGEVILLE	ID	1	609.68
GREEN CR CAMP	ID	1	65.00
HELL CR CAMP	ID	1	91.00
HOT SPRINGS	ID	1	590.42
HOWE CAMP	ID	1	221.00
IDAHA FALLS	ID	1	239.79
IDAHO CAMP	ID	8	1,963.00
IDAHO FALLS	ID	10	2,969.44
KAMIAH CAMP	ID	1	65.00
KAMICH	ID	1	262.35
KOOTENAI	ID	1	404.02
LAVA HOT SPRINGS	ID	2	181.80
LEWISTON	ID	2	424.70
MCCALL	ID	3	210.00
MCCALL CAMP	ID	2	1,092.00
MISC CAMPS	ID	3	1,233.84
MONTPELIER	ID	2	244.12
MOSCOW	ID	8	6,799.38
MOYER BASIN	ID	1	507.00

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
NAMPA	ID	2	359.85
NEW MEADOWS	ID	1	394.16
NEZ PERCE CAMP	ID	1	91.00
NORDMAN	ID	1	351.00
PAHSIMEROI CAMP	ID	3	221.00
POCATELLO	ID	11	2,424.35
POCAVELLO	ID	1	237.05
POTLATCH	ID	1	311.21
REXBURG	ID	5	870.46
RIGGINS	ID	2	202.78
RUBY CR CAMP	ID	1	91.00
SALMON	ID	5	619.89
SANDPOINT	ID	1	402.75
SAYLOR CR CAMP	ID	2	221.00
SHEEP CR CAMP	ID	1	221.00
SINK CREEK CAMP	ID	1	91.00
SODA SPRINGS	ID	3	247.35
SQUAW CAMP	ID	2	520.00
SQUAW MEADOWS CAMP	ID	2	702.00
STANELY	ID	1	767.17
STANELY CAMP	ID	1	400.41
STANLEY CAMP	ID	1	65.00
SWAN VALLEY	ID	1	22.50
TIN CUP CAMP	ID	7	1,209.00
TWIN FALLS	ID	17	3,848.93
WAYAN	ID	4	507.00
WHITTIER CAMP	ID	1	154.06
ALTAMONT	IL	2	270.49
ALTON	IL	1	1,235.40
AVON	IL	1	220.95
CARBONDALE	IL	1	91.92
CHAMPAIGN	IL	2	1,237.49
CHAMPAIGN/URBANA	IL	1	100.45
CHICAGO	IL	193	265,802.60
COOK	IL	37	28,878.69
COOK COUNTY	IL	1	813.34
DEKALB	IL	1	104.37
DES PLAINES	IL	1	1,642.60
DOWNERS GROVE	IL	1	525.70
DU PAGE	IL	13	5,996.64
DU PAGE COUNTY	IL	14	6,489.98
EVANSVILLE	IL	1	106.95
GALESBURG	IL	3	299.52
GALESBURY	IL	1	99.34
HANOVER	IL	2	281.78
JACKSONVILLE	IL	2	216.91
KNOX COUNTY	IL	1	99.34
LAKE	IL	2	3,864.80
MACOMB	IL	1	99.95
MARION	IL	1	303.68
MERCER	IL	1	45.00
MOLINE	IL	3	389.70
MOUNT STERLING	IL	1	75.00
MOUNT VERNON	IL	2	204.41
PALATINE	IL	1	135.14
PEORIA	IL	3	1,221.74
PERU	IL	1	680.50
PONTIAC	IL	1	102.00
QUINCY	IL	2	140.00
ROCK FALLS	IL	1	104.95
ROSEMONT	IL	1	903.28
SCHAUMBURG	IL	1	359.38
SPRINGFIELD	IL	41	13,053.53
SUN PRAIRIE	IL	1	207.00
URBANA	IL	3	576.81
WINNEBAGO	IL	1	106.21
28	IL	1	387.80
810	IL	1	309.71
820	IL	3	4,266.72
ANDERSON	IN	2	1,312.90
ANGOLA	IN	1	723.23
AUBURN	IN	1	105.50
CORYDON	IN	1	794.39
ELKHART	IN	1	105.60

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
EVANSVILLE	IN	3	321.57
FRANKLIN	IN	1	96.45
INDIANAPOLIS	IN	80	38,741.48
INDIANPOLIS	IN	1	108.65
LAFAYETTE	IN	7	1,073.13
LAGRANGE	IN	2	242.88
MARTINSVILLE	IN	4	748.86
MERRILLVILLE	IN	5	527.50
PAOLI	IN	1	87.79
PORTLAND	IN	1	98.34
ROCHESTER	IN	1	180.55
SOUTH BEND	IN	6	2,171.34
ST JOSEPH	IN	2	1,126.74
TERRE HAUTE	IN	2	311.85
W LAFAYETTE	IN	1	444.32
EILAT	IS	1	1,078.04
TEL AVIV	IS	2	5,937.09
MILAN	IT	1	2,465.53
OTHER	IT	1	2,100.53
ROME	IT	1	1,782.94
TERAMO	IT	1	1,283.61
OSAKA-KOBE	JA	1	3,924.44
TOKYO	JA	6	20,624.31
KINGSTON	JM	3	2,512.74
OTHER	JM	1	833.48
NAIROBI	KE	1	3,243.94
ABILENE	KS	1	167.46
BELLEVILLE	KS	2	330.76
BELLVILLE	KS	1	94.41
BELOIT	KS	3	431.04
CHANUTE	KS	1	196.78
CLAY CENTER	KS	2	250.47
CLAYTON	KS	1	86.19
COFFEYVILLE	KS	1	96.49
COLBY	KS	3	353.13
CONCORDIA	KS	2	135.00
DODGE CITY	KS	1	100.26
EMPORIA	KS	2	533.85
ESKRIDGE	KS	3	420.00
FORT RILEY	KS	1	218.24
FORT SCOTT	KS	4	933.35
FT. SCOTT	KS	1	134.90
GARDEN CITY	KS	4	1,466.77
GOODLAND	KS	2	270.40
GREAT BEND	KS	2	1,849.83
GREENSBURG	KS	1	90.74
HAYES	KS	2	1,018.06
HAYS	KS	1	202.42
HIAWATHA	KS	2	268.73
HUTCHINGS	KS	1	485.20
INDEPENDENCE	KS	1	87.14
IOLA	KS	2	358.29
JOHNSON	KS	4	2,651.33
JOHNSON COUNTY	KS	1	802.60
KANSAS CITY	KS	4	1,137.58
KINGMAN	KS	9	1,991.01
LIBERAL	KS	4	570.92
MANHATTAN	KS	10	1,168.73
MARYSVILLE	KS	12	1,351.33
MCPHERSON	KS	1	165.76
MILTONVALE	KS	1	75.00
MITCHELL	KS	1	162.16
OAKLEY	KS	1	94.86
OTTAWA	KS	3	387.45
OVERLAND PARK	KS	3	665.43
PARSONS	KS	1	289.88
SABETHA	KS	1	182.98
SALINA	KS	7	1,513.81
SEDGWICK	KS	2	203.42
SMITH CENTER	KS	1	93.52
THAYER	KS	1	202.00
TOPEKA	KS	46	10,394.55
WICHITA	KS	13	4,786.23
WINFIELD	KS	4	533.65

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
WINSFIELD	KS	1	184.11
970	KS	1	166.61
BOWLING GREEN	KY	3	301.02
BURLINGTON	KY	1	198.00
CADIZ	KY	4	422.33
CARROLLTON	KY	8	1,727.38
CARROLLTON CO	KY	1	268.16
CARROLTON	KY	1	93.74
CENTRAL CITY	KY	1	104.52
DANVILLE	KY	5	1,937.54
EDDYVILLE	KY	1	90.70
ERLANGER	KY	1	134.17
FRANKFORD	KY	1	1,587.25
FRANKFORT	KY	13	4,852.82
FRANKLIN	KY	1	1,196.25
GAINESVILLE	KY	1	345.88
GLASGOW	KY	1	103.40
GRAVES	KY	1	232.50
HICKMAN	KY	1	75.00
HOPKINSVILLE	KY	8	818.88
JEFFERSON	KY	1	816.78
KENTON	KY	11	6,159.94
LEXINGTON	KY	32	25,174.73
LOUISVILLE	KY	34	19,978.82
MAYFIELD	KY	4	360.35
MORGANTOWN	KY	1	92.86
MURRAY	KY	3	364.06
NICHOLASVILLE	KY	2	1,465.83
OHIO	KY	1	100.00
OWENSBORO	KY	1	49.20
PADUCAH	KY	1	155.25
PRINCETON	KY	1	91.95
RICHWOOD	KY	1	848.50
ALEXANDRIA	LA	22	6,034.92
BATON ROUGE	LA	31	16,038.30
BILOXI	LA	1	596.08
BOSSIER CITY	LA	5	1,375.81
CROWLEY	LA	1	1,006.48
DELHI	LA	1	113.56
EUNICE	LA	2	272.18
GLENCOE	LA	1	279.00
JEFF DAVIS	LA	2	569.83
JEFFERSON	LA	4	1,414.98
JEFFERSON PARISH	LA	2	261.84
KAPLAN	LA	1	870.19
LAFAYETTE	LA	5	2,205.39
LAKE CHARLES	LA	3	716.32
LASALLE	LA	2	120.00
LEESVILLE	LA	2	417.95
MAURICE	LA	1	135.45
MONROE	LA	4	1,043.09
NEW ORLEANS	LA	96	86,677.89
NOTCHITOCHES	LA	1	197.10
RAYVILLE	LA	3	632.58
SHREVEPORT	LA	11	2,256.56
ST BERNARD PARISH	LA	2	2,013.49
ST. BERNARD	LA	1	272.62
VERMILION	LA	8	1,270.00
WEST MONROE	LA	1	101.74
WINNESBORO	LA	2	527.05
WINNSBORO	LA	4	340.00
WOODWORTH	LA	3	922.65
RIGA	LG	1	332.03
AMHERST	MA	2	346.18
AROOSTOCK	MA	1	909.91
BERKSHIRE	MA	1	111.32
BOSTON	MA	64	65,890.99
BRISTOL	MA	2	362.02
CAMBRIDGE	MA	2	1,236.95
CHISINAU	MA	1	485.79
DUKES	MA	2	307.28
ESSEX	MA	1	292.60
FALMOTH	MA	1	1,915.72
FALMOUTH	MA	10	5,039.48

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
GYOTON	MA	1	1,162.70
HAMPSHIRE	MA	12	5,448.70
HAMPTON	MA	1	96.51
HARTFORD	MA	1	122.32
LUDLOW	MA	1	103.00
MIDDLESEX	MA	3	1,161.79
MIDDLESEX COUNTY	MA	2	2,191.95
NEW BEDFORD	MA	3	1,215.68
NORTHAMPTON	MA	5	2,759.00
PLYMOUTH	MA	4	1,611.21
SHELBURNE	MA	2	279.44
SPRINGFIELD	MA	5	2,087.42
SUTTON	MA	3	560.03
WORCESTER	MA	11	4,790.25
ALLEGENY	MD	1	146.20
ANNAPOLIS	MD	24	16,797.87
ANNE ARUNDEL	MD	3	2,702.56
BALTIMORE	MD	52	46,037.70
BALTIMORE COUNTY	MD	4	2,035.13
BELTSVILLE	MD	1	115.20
BOSTON	MD	1	989.51
BUTLER	MD	1	93.86
COLLEGE PARK	MD	4	3,082.06
COLUMBIA	MD	1	5,824.12
EASTON	MD	3	3,207.59
ELKTON	MD	1	428.70
EMMITSBURG	MD	1	1,368.52
FEREDERICK	MD	3	2,708.82
FREDERICK	MD	513	664,607.89
FREDRICK	MD	10	7,627.15
FROSTBURG	MD	1	100.00
GARRETT	MD	1	98.41
GARRETT COUNTY	MD	1	180.24
GREEN BELT	MD	1	839.60
GREENBELT	MD	9	11,259.85
HAGERSTOWN	MD	6	1,453.28
HARFORD	MD	1	149.20
HARFORD COUNTY	MD	4	647.60
HARTFORD	MD	1	152.45
HOWARD	MD	1	1,950.83
MONTGOMERY	MD	9	11,896.03
MONTGOMERY COUNTY	MD	3	799.44
OCEAN CITY	MD	1	314.24
PERRYVILLE	MD	1	455.45
PG COUNTY	MD	1	868.08
PIKESVILLE	MD	1	633.25
PR GEORGES CO	MD	1	1,080.14
PRIENCE GEORGE'S	MD	1	990.12
PRIENCE GEORGES	MD	1	1,459.08
PRINCE GEO COUNTY	MD	1	1,063.57
PRINCE GEOREGS	MD	1	266.45
PRINCE GEORGE	MD	20	14,428.76
PRINCE GEORGE'S	MD	7	3,922.93
PRINCE GEORGES	MD	1259	1,199,889.94
PRINCE GEORGES CO	MD	3	2,764.48
PRINCE GEORGES CTY	MD	1	376.80
PRINCES GEORGES	MD	2	1,200.28
RAPID CITY	MD	2	2,330.07
RIVERDALE	MD	26	24,318.81
SALISBURY	MD	5	519.30
ST. MICHAELS	MD	1	1,359.25
STARKVILLE	MD	1	614.51
TALBOT	MD	19	21,226.50
TALBOT COUNTY	MD	3	3,893.08
WASHINGTON	MD	1	330.60
WESTMINSTER	MD	4	408.22
WICOMICO	MD	1	98.90
WICOMICO COUNTY	MD	1	102.75
WORCESTER	MD	1	134.88
AROOSTOCK	ME	1	1,517.70
AROOSTOOK	ME	1	100.64
AUGUSTA	ME	8	1,038.68
BANGOR	ME	8	4,637.87
CALAIS	ME	2	3,150.30

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
CUMBERLAND	ME	1	142.70
EASTPORT	ME	1	105.00
HOLTEN	ME	1	446.03
HOULTON	ME	24	24,209.10
JACKMAN	ME	7	5,702.27
KENNEBEC	ME	1	103.85
NACHIAS	ME	1	629.60
ORONO	ME	1	124.35
PENOBSCOT	ME	2	172.00
PORT HURON	ME	1	1,211.08
PORTLAND	ME	12	14,278.92
STRATTON	ME	1	89.94
T8R19	ME	1	80.00
WALDO	ME	1	84.00
WASHINGTON	ME	2	825.51
WATERVILLE	ME	1	1,205.25
ULAANBAATAR	MG	2	1,899.76
ALGER	MI	1	90.80
ALPENA	MI	1	349.23
ALTANTA	MI	1	175.00
ATLANTA	MI	22	5,865.54
BARAGA	MI	1	389.93
BARBEAU	MI	1	482.00
BATTLE CREEK	MI	1	278.31
BENTON HARBOR	MI	1	506.59
CADILLAC	MI	8	1,582.48
CLINTON	MI	2	1,164.27
DAVISON	MI	1	111.74
DELTA	MI	1	98.96
DETROIT	MI	56	89,753.80
DETROIT LAKE	MI	1	90.21
DETROIT LAKES	MI	1	98.09
E. LANSING	MI	1	129.15
EAST LANSING	MI	114	115,872.01
EAST TAWAS	MI	2	412.40
ESCANABA	MI	4	1,357.66
FLINT	MI	1	105.93
GAYLORD	MI	13	3,872.90
GLADWIN	MI	1	96.17
GRAND RAPIDS	MI	2	697.65
GRAYLING	MI	1	118.55
HARRIS	MI	1	302.90
HILLMAN	MI	1	104.40
HURON	MI	1	354.06
INDIAN RIVER	MI	1	22.50
INGHAM	MI	1	114.27
INGHAM COUNTY	MI	2	1,787.16
KALAMAZOO	MI	1	139.29
LAKE CITY	MI	1	68.26
LANSING	MI	12	9,127.26
LUDINGTON	MI	1	206.04
MACKINAC	MI	2	192.85
MACOMB	MI	2	248.74
MADEIRA ISLANDS	MI	1	575.00
MANISTIQUE	MI	1	278.44
MARQUETTE	MI	1	195.94
NILES	MI	1	2,015.07
OAKLAND	MI	1	163.22
OKEMOS	MI	1	693.51
PORT HUREN	MI	1	103.32
PORT HURON	MI	10	6,212.25
ROGERS CITY	MI	1	100.55
SAGINAW	MI	1	112.05
SANDUSKY	MI	4	523.60
SANILAC	MI	1	133.00
SAULT SAINT MARIE	MI	1	225.80
SAULT STE MARIE	MI	6	786.86
ST CLAIR	MI	1	376.08
STANDISH	MI	1	321.52
TRAVERSE CITY	MI	2	1,707.58
UNIONVILLE	MI	1	22.50
WAYNE	MI	2	1,744.69
950	MI	1	1,475.37
ALBERT LEA	MN	2	533.49

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
AUSTIN	MN	2	283.60
BAUDETTE	MN	1	188.66
BECKER	MN	1	280.02
BEMIDJI	MN	3	416.39
BLOOMINGTON	MN	4	3,117.91
BRAINED	MN	1	91.32
CALEDONIA	MN	3	351.69
CANNON FALLS	MN	1	209.07
CARLTON COUNTY	MN	1	271.54
DAKOTA COUNTY	MN	4	1,318.39
DETROIT LAKES	MN	6	794.97
DULUTH	MN	1	336.23
FAIRBAULT	MN	1	738.36
FAIRMONT	MN	7	6,129.36
GRAND MARAIS	MN	3	697.25
GRAND PORTAGE	MN	1	88.68
GRAND RAPIDS	MN	7	2,520.64
HENNEPIN	MN	2	752.18
HENNEPIN COUNTY	MN	9	6,981.76
HOUSTON COUNTY	MN	1	111.93
HUTCHINSON	MN	3	1,268.49
INTERNATIONAL FALLS	MN	6	521.07
LITCHFIELD	MN	1	179.26
LITTLE FALLS	MN	2	210.46
MANKATO	MN	3	425.55
MANKETO	MN	1	105.23
MARSHALL	MN	1	93.29
MCGREGOR	MN	1	165.30
MELROSE	MN	2	324.44
MINEAPPOLIS	MN	1	959.55
MINNEAPOLIS	MN	275	316,413.48
MINNEAPOLIS/ST. PAUL	MN	4	4,594.59
MONTIVIDEO	MN	1	513.27
MOORHEAD	MN	2	802.57
NEW ULM	MN	3	737.38
PARK RAPIDS	MN	2	425.80
PIPESTONE	MN	3	258.29
PRESTON	MN	6	3,855.56
RAMSEY	MN	5	4,113.39
RED LAKE FALLS	MN	1	45.00
REDWOOD FALLS	MN	2	792.25
ROCHESTER	MN	2	1,065.12
ROCHSTER	MN	1	210.40
ROSEAU	MN	1	84.30
RUTTGERS BAY	MN	1	45.00
SPRING VALLEY	MN	1	93.40
ST CLOUD	MN	1	106.33
ST PAUL	MN	2	442.70
ST. CLOUD	MN	2	739.67
ST. PAUL	MN	33	20,577.09
STEWARTVILLE	MN	1	170.86
WACONIA	MN	2	557.09
WARROD	MN	1	84.77
WASHINGTON	MN	1	127.73
WILLMAR	MN	6	707.39
WORTHINGTON	MN	20	4,438.12
BLUE SPRINGS	MO	3	300.61
BRANSON	MO	2	182.70
CAMERON	MO	2	275.77
CAPE FAIR	MO	2	150.00
CAPE GIRARDEAU	MO	6	1,185.07
CASVILLE	MO	1	163.54
CHILLICOTHE	MO	2	595.52
CLAY	MO	1	613.00
CLAY COUNTY	MO	1	454.46
COLUMBIA	MO	8	1,698.41
DEKALB	MO	1	179.45
DEXTER	MO	2	159.07
FAIR PLAY	MO	1	121.12
FAYETTE	MO	1	173.52
FREDRICKTOWN	MO	2	350.22
GOODMAN	MO	1	22.50
GREENE	MO	1	108.54
GRUNDY	MO	2	197.12

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
HANNIBAL	MO	1	218.24
HARRISONVILLE	MO	2	429.29
HOUSTON	MO	1	75.00
HOWELL	MO	3	269.78
JACKSON	MO	4	1,309.44
JEFFERSON	MO	2	203.82
JEFFERSON CITY	MO	30	10,112.91
JOPLIN	MO	9	1,866.61
KANASA CITY	MO	1	883.59
KANSAS CITY	MO	152	111,899.24
KINGDON CITY	MO	1	495.91
KIRKSVILLE	MO	7	1,517.22
KNOB KNOSTER	MO	1	231.20
KNOB NOSTER	MO	2	1,475.94
LAKE OZARK	MO	1	899.87
LEBANON	MO	1	99.75
MACON	MO	9	2,088.67
MADISON	MO	1	263.14
MALDEN	MO	4	1,178.61
MARSTON	MO	3	267.16
MARYVILLE	MO	1	307.33
MOBERLY	MO	2	649.16
MONET	MO	2	259.84
MONETT	MO	8	1,921.47
MOUNTAIN GROVE	MO	1	1,140.94
MT. GROVE	MO	1	83.24
NARYVILLE	MO	1	165.95
NEOSHO	MO	2	289.22
OSAGE BEACH	MO	1	424.33
OZARK	MO	1	176.04
PLATTE	MO	1	450.15
PLATTE CITY	MO	1	642.41
PLATTE CO	MO	1	112.78
PLATTE COUNTY	MO	2	783.32
POPLAR BLUFF	MO	10	1,201.18
PORTAGEVILLE	MO	3	195.00
RABAT	MO	1	760.40
RICH HILL	MO	2	158.46
ROLLA	MO	6	2,058.13
SAINT CHARLES	MO	1	132.41
SIKESTON	MO	8	1,301.06
SPRINGFIELD	MO	19	7,813.09
ST JOSEPH	MO	3	1,620.49
ST LOUIS	MO	6	4,965.08
ST. ANN	MO	2	328.38
ST. CHARLES	MO	2	1,201.75
ST. JAMES	MO	1	78.00
ST. JOSEPH	MO	1	240.56
ST. LOUIS	MO	94	90,040.01
ST. LOUIS COUNTY	MO	1	408.47
ST. PETERS	MO	1	453.60
VIBURNUM	MO	1	83.12
WARRENTON	MO	1	1,006.81
ALCORN	MS	1	160.02
ALISON	MS	1	87.51
BATESVILLE	MS	1	102.60
BELZONI	MS	4	90.00
BILOXI	MS	5	2,457.34
CANTON	MS	2	199.00
CLINTON	MS	1	107.73
COLLINS	MS	1	131.71
COLUMBUS	MS	1	1,270.35
CORINTH	MS	2	242.07
DIAMOND HEAD	MS	1	214.90
GEORGE	MS	1	453.41
GREENVILLE	MS	8	1,085.73
GREENWOOD	MS	13	1,568.33
GRENADA	MS	2	519.41
GULFPORT	MS	33	14,816.95
HANCOCK	MS	1	205.00
HARRISON	MS	2	569.70
HATTIESBURG	MS	2	639.85
HAZELHURST	MS	11	2,358.68
HEIDELBURG	MS	1	83.20

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
HOLLY SPRINGS	MS	2	212.76
HORN LAKE	MS	1	99.50
INDIANOLA	MS	2	534.25
INKA	MS	1	82.06
JACKSON	MS	50	21,456.70
JSACKSON	MS	1	381.05
KOSCIUSKO	MS	1	197.80
LAUREL	MS	1	194.90
MISSISSIPPI STATE	MS	2	199.95
MORGAN CITY	MS	1	22.50
MOSS POINT	MS	9	3,902.96
PASACAGOULA	MS	1	301.50
PASCAGOULA	MS	2	1,048.10
PEARL	MS	2	231.60
PHILADELPHIA	MS	1	110.00
PICAYUNE	MS	2	223.43
ROBINSONVILLE	MS	2	191.15
SOUTHAVEN	MS	2	213.80
STARKVILLE	MS	28	13,744.33
STONEVILLE	MS	3	200.00
TUNICA	MS	1	100.90
TUPELO	MS	6	978.37
VICKSBURG	MS	22	9,335.46
WARREN CO	MS	1	212.95
YAZOO CITY	MS	5	1,290.21
ALICE CREEK CAMP	MT	1	45.00
ANACONDA	MT	1	48.49
ANDERSON RANCH	MT	1	98.00
AUGUSTA	MT	1	449.80
BAKER	MT	4	781.92
BIG SKY	MT	3	2,605.35
BIG TIMBER	MT	3	912.58
BILLINGS	MT	37	12,556.57
BOISE	MT	1	1,273.11
BOZEMAN	MT	30	13,530.94
BOZEMAN/GALLATIN	MT	1	2,060.27
BROADUS	MT	2	397.80
BROWING	MT	1	238.04
BROWNING	MT	2	175.20
BUTLER	MT	1	363.80
BUTTE	MT	7	1,830.34
CASCADE	MT	3	315.80
CHICO	MT	1	270.19
CHICO HOT SPRINGS	MT	2	1,723.82
CHINOOK	MT	6	2,309.49
CHINOOK/MALTA	MT	1	156.56
CHINOOK/SHELBY	MT	1	63.28
CHOTEAU	MT	2	378.75
COAL CAMP	MT	7	535.00
COAL CREEK CAMP	MT	1	75.00
COLSTRIP	MT	1	177.74
COLUMBUS	MT	3	511.60
CONRAD	MT	2	308.20
CULBERTSON	MT	3	284.60
CUTBANK	MT	3	410.88
DANIELS	MT	1	253.13
DAWSON	MT	1	75.00
DILLON	MT	11	3,693.86
DUPUYER	MT	15	2,553.77
ENNIS	MT	2	631.38
EUREKA	MT	2	211.96
FERGUS	MT	1	167.56
FLATHEAD	MT	1	269.53
FORSYTH	MT	2	714.00
GALLATIN	MT	10	7,433.79
GARDINER	MT	16	3,280.66
GARDINER/PARK	MT	3	486.92
GLACIER	MT	3	858.11
GLASGOW	MT	5	1,104.70
GLENDIVE	MT	4	920.47
GREAT FALLS	MT	3	1,348.75
GRIZZLY CREEK	MT	1	124.25
HARDIN	MT	5	671.00
HARLOWTON	MT	2	199.30

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
HAVRE	MT	3	1,035.44
HELENA	MT	24	8,938.96
HILL	MT	1	132.20
HOFELDT RANCH	MT	1	30.00
HOFELDT RANCH/MALTA	MT	1	186.56
JORDAN	MT	9	3,064.15
JORDAN/FORSYTH	MT	1	291.20
JORDAN/MILES CITY	MT	1	313.40
KALISPELL	MT	11	3,421.55
KUHR RANCH	MT	1	60.00
LEWIS AND CLARK	MT	4	450.75
LEWISTON	MT	6	1,400.05
LEWISTOWN	MT	9	3,815.22
LIBBY	MT	1	267.32
LIVINGSTON	MT	2	747.59
LONEY RANCH	MT	1	195.00
MALTA	MT	2	325.24
MCKAMEY CAMP	MT	1	30.00
MILES CITY	MT	19	4,875.87
MILES CITY/BAKER	MT	1	441.20
MILES CITY/GLENDIVE	MT	1	282.24
MISSOULA	MT	24	6,710.85
NINEMILE FOREST	MT	1	30.00
PHILLIPS	MT	1	249.27
PIEGAN	MT	2	477.84
PLENTYWOOD	MT	3	498.23
POLSON	MT	4	571.70
POWDERVILLE	MT	2	189.00
PRAY	MT	4	1,848.65
RAYMOND	MT	3	518.32
REBISH & KONEN	MT	1	45.00
ROOSEVELT	MT	1	321.70
ROOSVILLE	MT	3	602.48
ROUNDUP	MT	2	1,091.88
SCOBEY	MT	1	392.90
SHELBY	MT	18	4,765.49
SHERIDAN	MT	1	285.53
SIDNEY	MT	2	580.62
ST MARYS	MT	1	90.00
SUN RIVER CAMP	MT	1	45.00
TOOLE	MT	5	1,445.36
TOWNSEND	MT	7	996.92
TROUT CREEK	MT	2	310.19
TWITCHELL RANCH	MT	1	45.00
W. YELLOWSTONE PARK	MT	1	576.66
WEST YELLOWSTONE	MT	6	9,629.46
WEST YELLOWSTONE PAR	MT	1	776.66
WHITE SOLPHER SPRGS	MT	1	266.19
WHITE SULPHUR SPGS	MT	3	573.11
WHITE SULPHUR SPR	MT	1	81.40
WHITE SULPHUR SPRING	MT	1	109.76
WHITEFISH	MT	3	709.99
WHITEHALL	MT	1	340.02
AVANDARO	MX	1	325.31
AVARDORO	MX	1	280.00
CHIHUAHUA	MX	6	5,610.07
CIUDAD JUAREZ	MX	2	1,226.26
CUERNAVACA	MX	2	1,004.63
GUADALAJARA	MX	2	873.72
GUANAJAUTO	MX	2	1,743.97
HERMOSILLO	MX	3	2,396.98
LA PAX	MX	1	673.49
LA PAZ	MX	4	4,058.86
MATAMOROS	MX	6	3,785.14
MAZATLAN	MX	2	2,302.82
MERIDA	MX	2	5,088.17
MEXICALI	MX	2	1,402.74
MEXICO	MX	2	374.67
MEXICO CITY	MX	30	38,314.13
MEXICO CITY DF	MX	1	1,469.04
MEXICO CITY,D.F.	MX	18	30,248.82
MEXICO CITY,MX	MX	1	424.18
MEXICO D.F.	MX	6	4,662.46
MEXICO, DF	MX	2	577.56

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
OTHER	MX	19	6,398.93
SALTILLO	MX	1	374.34
TAMPICO	MX	1	686.86
TAPACHULA	MX	4	5,830.89
TIJUANA	MX	2	720.67
TLAXCQALA	MX	1	1,700.68
TUXTLA	MX	1	2,772.69
TUXTLA GUTIERREX	MX	1	612.82
TUXTLA GUTIERREZ	MX	2	2,261.22
KUALA LUMPUR	MY	2	5,184.09
MAPUTO	MZ	1	868.09
AMES	NC	1	734.00
ASHEBORO	NC	1	206.80
ASHEVILLE	NC	33	27,780.67
ASHVILLE	NC	4	3,253.81
AVERY	NC	1	36.00
BATTLEBORO	NC	1	6,067.61
BLACK MOUNTAIN	NC	1	124.20
BOONE	NC	4	418.53
CHARLOTTE	NC	34	15,766.56
CHEROKEE	NC	1	190.30
CHERRY POINT	NC	2	614.70
CROSSNORE	NC	14	4,853.43
CUMBERLAND	NC	1	675.10
DARE	NC	2	302.02
DUNN	NC	2	752.60
DURHAM	NC	3	2,492.21
ELIZABETH CITY	NC	1	75.00
FAYETTEVILLE	NC	2	2,107.05
FLETCHER	NC	1	104.95
FOREST CITY	NC	4	930.92
FORREST CITY	NC	1	182.86
GASTONIA	NC	1	962.15
GREENSBORO	NC	8	4,107.20
GREENVILLE	NC	2	387.22
HENDERSON	NC	2	1,326.83
HICKORY	NC	1	160.80
LENOIR	NC	1	1,316.16
MOOREHEAD CITY	NC	1	98.41
MOREHEAD CITY	NC	12	3,693.05
NEW BERN	NC	1	225.88
RALEIGH	NC	684	514,181.63
RALEIGH/WAKE	NC	1	898.92
RALIEGH	NC	1	420.29
RELEIGH	NC	1	750.27
ROCKINGHAM	NC	1	221.27
ROCKY MOUNT	NC	1	182.82
SALISBURY	NC	1	104.95
SEYMOUR JOHNSON AFB	NC	1	815.60
SILER CITY	NC	2	196.82
SOUTHPORT	NC	1	98.90
STATESVILLE	NC	4	1,172.41
WADE	NC	1	156.88
WAKE	NC	3	2,164.35
WARRENTON	NC	1	135.00
WASHINGTON	NC	1	587.13
WILMINGTON	NC	18	5,167.59
WINSTON SALEM	NC	1	250.36
WINSTON-SALEM	NC	1	238.36
WINTON SALEM	NC	1	208.82
ALICE	ND	1	45.00
BARNES	ND	2	697.55
BEACH	ND	7	876.48
BELFIELD	ND	1	283.35
BISMARCK	ND	46	25,870.00
BISMARK	ND	1	1,195.32
BOTTINEAU	ND	7	1,088.95
BOWMAN	ND	4	3,209.00
CARRINGTON	ND	6	1,266.50
CAVALIER	ND	4	5,359.92
DEVILS LAKE	ND	3	512.63
DICKINSON	ND	2	775.39
DUNSEITH	ND	1	253.78
FARGO	ND	19	4,891.03

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
FREDONIA	ND	1	90.00
GARRISON	ND	4	1,921.27
GOLDEN VALLEY	ND	1	300.00
GRAFTON	ND	1	167.38
GRAND FORKS	ND	5	1,065.01
GRANVILLE	ND	1	284.92
JAMESTOWN	ND	9	3,481.44
LANGDON	ND	1	520.68
LINTON	ND	1	137.00
MEDORA	ND	3	2,434.37
MINOT	ND	17	3,671.80
PARK RIVER	ND	1	271.37
ROLETTE	ND	2	509.54
RUGBY	ND	4	1,223.53
SANBORN	ND	2	277.50
VALLEY CITY	ND	5	1,268.88
WASHBURN	ND	1	162.83
WATFORD CITY	ND	2	469.12
WILLISTON	ND	3	525.87
AINSWORTH	NE	1	929.90
ALLIANCE	NE	1	645.69
BLAINE	NE	1	146.30
BLAIR	NE	4	1,168.02
BOX BUTTE	NE	1	100.00
BROKEN BOW	NE	3	345.99
BUFFALO	NE	7	1,939.62
CENTRAL CITY	NE	1	88.04
CHADRON	NE	2	266.63
CHERRY	NE	4	395.27
COLUMBUS	NE	1	123.52
CUSTER	NE	1	89.02
CUSTER COUNTY	NE	1	163.04
DOUGLAS	NE	1	746.95
ELKHORN	NE	1	37.00
GORDON	NE	1	245.58
GOTHENBURG	NE	6	884.60
GRAND ISLAND	NE	11	1,481.05
HASTINGS	NE	6	1,260.46
HOLDREDGE	NE	1	171.79
HOLDREGE	NE	1	88.94
KEARNEY	NE	8	5,669.66
KIMBALL	NE	1	92.19
LANCASTER	NE	10	2,500.06
LEXINGTON	NE	1	101.89
LINCOLN	NE	25	12,303.45
LOUP CITY	NE	1	77.05
MADISON	NE	2	1,272.21
MASON CITY	NE	2	150.00
MCCOOK	NE	5	695.52
NORFOLK	NE	9	1,228.38
NORTH PLATTE	NE	1	87.12
NORTH PLATTE	NE	22	5,792.69
O'NEILL	NE	3	574.77
OMAHA	NE	14	7,394.76
ONEIL	NE	1	158.24
ONEILL	NE	2	203.50
ONIELL	NE	2	198.03
ORD	NE	1	376.05
OTOE	NE	2	199.07
PLATTE	NE	3	2,509.29
SCOTTS BLUFF	NE	4	838.86
SCOTTS BLUFF COUNTY	NE	1	550.86
SCOTTSBLUFF	NE	4	749.29
SIDNEY	NE	1	356.30
ST PAUL	NE	1	85.33
SYRACUSE	NE	1	97.92
THEDFORD	NE	1	94.50
WINNETOON	NE	1	75.00
CONCORD	NH	2	1,520.25
GRAFTON	NH	2	692.86
HILLSBOROUGH	NH	1	129.84
KEENE	NH	2	208.80
LANCASTER	NH	2	270.60
LEBANON	NH	1	120.24

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
LEBANON/SULLIVAN	NH	1	253.44
MANCHESTER	NH	10	3,067.43
N STRATFORD	NH	1	105.25
ORANGE	NH	3	315.00
LAGOS	NI	1	4,927.47
ATLANTIC CITY	NJ	5	3,049.85
ATLANTIC COUNTY	NJ	1	138.85
ATLNATIC CITY	NJ	1	234.90
BERGEN	NJ	3	2,636.48
BRIDGEWATER	NJ	1	116.98
CAMDEN	NJ	2	691.84
CHERRY HILL	NJ	1	377.84
CUMBERLAND	NJ	1	1,278.11
EDISON	NJ	1	465.32
ELIZABETH	NJ	1	2,798.71
ESSEX	NJ	4	3,340.13
FLEMINGTON	NJ	12	2,985.41
GIBBSTOWN	NJ	1	572.82
HUNTERDON	NJ	1	380.83
LINDEN	NJ	2	1,341.20
MERCER	NJ	9	4,690.30
MERCER COUNTY	NJ	5	3,391.43
MIDDLESEX	NJ	2	1,086.57
MIDDLESEX COUNTY	NJ	1	1,234.58
MORRIS COUNTY	NJ	10	1,886.26
MORRIS PLAINS	NJ	1	607.89
NEWARK	NJ	40	69,477.30
PARSIPPANY	NJ	2	878.02
PRINCETON	NJ	2	589.16
SALEM	NJ	2	227.80
SOMERSET	NJ	8	3,430.19
TRENTON	NJ	2	2,352.11
UNION COUNTY	NJ	1	633.45
WHIPPANY	NJ	1	154.29
AMSTERDAM	NL	1	743.89
LISSE	NL	1	241.40
MONTERREY	NL	1	193.88
OTHER	NL	2	2,794.33
ALAMAGORDO	NM	1	389.20
ALAMO GORDO	NM	1	958.02
ALAMOGORDO	NM	4	1,117.66
ALBUQUERQUE	NM	98	42,358.44
ALBUQUERUE	NM	1	57.00
ARTESIA	NM	14	3,769.82
ARTESIA/EDDY	NM	1	106.22
BELEN	NM	8	3,233.78
BELENI	NM	1	355.00
BERMALILLO	NM	1	279.31
BERNALILLO	NM	2	846.54
BERNALILO	NM	1	240.00
CARLSBAD	NM	3	1,263.28
CHAVES	NM	2	277.98
CHAVEZ	NM	1	96.78
CLAYTON	NM	5	1,061.87
CLOVES	NM	1	95.12
CLOVIS	NM	3	425.45
CLOVIS/CURRY	NM	1	268.64
COLUMBUS	NM	3	870.80
CUBA CAMP	NM	5	933.71
CURRY	NM	1	175.24
DEMING	NM	7	2,687.07
DEMING/LUNA	NM	5	2,258.01
DONA ANA	NM	2	1,139.68
DULCE/CHAMA	NM	1	45.00
ENCINO	NM	1	45.00
ESPANOLA	NM	1	310.26
FARMINGTON	NM	2	220.92
GHOST RANCH	NM	1	45.00
GRANT COUNTY	NM	6	1,211.19
GRANTS	NM	1	101.04
HIDALGO COUNTY	NM	2	210.00
HOBBS	NM	1	194.90
LAKE ROBERTS	NM	11	825.00
LAS CRUCES	NM	35	10,664.12

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DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
LAS VEGAS	NM	2	1,007.48
LEA COUNTY	NM	1	188.10
LORDSBURG	NM	5	3,004.86
LOVINGTON	NM	2	303.07
LOVINGTON/LEA	NM	2	359.49
LUNA COUNTY	NM	1	177.53
MCGREGOR RANGE	NM	1	124.50
MIMBRES MTN. RANCH	NM	1	187.50
OROGRANDE	NM	1	112.50
OTERO	NM	8	4,045.26
OTERO COUNTY	NM	1	653.72
PINON	NM	2	394.18
PINON CAMP	NM	13	2,507.00
PORTALES	NM	5	488.70
RATON	NM	3	1,020.99
RIO COSTILLA RANCH	NM	1	240.00
ROSWELL	NM	21	3,926.07
RUIDOSO	NM	3	374.46
RUIDOSO/LINCOLN	NM	1	183.96
SAN JUAN COUNTY	NM	1	88.14
SANJUAN	NM	1	220.72
SANTA ROSA	NM	3	696.39
SIERRA COUNTY	NM	1	259.96
SILVER CITY	NM	1	95.68
SOCORRO	NM	4	742.70
TAOS	NM	14	2,121.30
TAOS CAMP	NM	2	261.00
TAOS CO	NM	1	90.00
TUCAMCARI	NM	1	1,662.00
TUCUMCARI	NM	32	6,822.66
UNION COUNTY	NM	2	450.00
UNION COUNTY CAMP	NM	1	502.50
OSLO	NO	1	4,823.53
ARUBA	NT	4	12,910.31
MANAGUA	NU	6	4,375.77
OTHER	NU	2	377.65
ANTELOPE	NV	3	1,053.00
AUSTIN	NV	24	3,823.84
AUSTIN/LANDER	NV	2	454.12
BATTLE MTN	NV	1	78.00
BELMONT	NV	1	142.10
BILK CREEK	NV	1	234.00
CALIENTE	NV	1	105.50
CAMP ANTELOPE	NV	1	195.00
CAMP JUNGO	NV	2	221.00
CARSON CITY	NV	2	1,283.20
COPPER BASIN	NV	2	559.00
COPPER BASIN CAMP	NV	1	221.00
DENIO	NV	4	717.60
DESERT PEAK	NV	5	1,540.50
DYER CAMP	NV	1	136.50
ELKO	NV	16	3,873.91
ELY	NV	9	2,278.56
EUREKA	NV	13	1,566.21
FALLON	NV	1	272.50
HUMBOLDT	NV	1	91.00
HUMBOLT	NV	2	177.00
JACKPOT	NV	6	881.52
LAKEVIEW	NV	1	45.00
LAS VEGAS	NV	107	89,703.18
LAS VEGAS/CLARK	NV	1	557.16
LASVEGAS	NV	2	291.37
LYON COUNTY	NV	1	264.50
MARTIN CY	NV	4	1,703.00
MCDERMITT	NV	1	90.00
NEVADA	NV	1	930.52
RENO	NV	85	42,975.14
RENO/SPARKS	NV	3	2,218.68
S WINDOVER	NV	1	293.74
S. WINDOVER	NV	2	182.00
SPARKS	NV	3	1,235.03
SPLIT PEAK	NV	3	468.00
SPLIT PEAK CAMP	NV	4	546.00
SQUAW VALLEY	NV	3	1,222.00

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
STAR CREEK	NV	1	143.00
TONAPAH	NV	1	341.50
TONOPAH	NV	3	463.82
VYA	NV	2	946.56
WENDOVER	NV	3	330.70
WINDOVER CAMP	NV	1	65.00
WINNEMUCCA	NV	19	4,442.56
YERINGTON	NV	15	2,310.75
ALANY	NY	1	116.10
ALBANY	NY	29	9,529.69
ALEXANDER BAY	NY	2	765.00
ALEXANDRIA BAY	NY	2	700.00
AVOCA	NY	2	205.71
BATAVIA	NY	8	1,493.41
BATH	NY	3	2,286.26
BINGHAMTON	NY	2	200.00
BRONX	NY	1	565.56
BROOKLYN	NY	4	6,596.49
BUFFALO	NY	53	52,724.39
CANTON	NY	4	489.70
CHAMPLAIN	NY	1	526.85
CLINTON	NY	4	1,693.35
COBLESKILL	NY	2	242.47
DUNKIRK	NY	1	111.54
ERIE	NY	11	6,259.06
GENESEE	NY	1	98.95
GENEVA	NY	1	899.99
GREAT NECK	NY	5	3,132.81
HAMILTON	NY	1	119.10
IHTACA	NY	1	108.00
ITHACA	NY	30	7,495.10
JAMAICA	NY	1	463.01
JAMESTON	NY	1	106.27
JAMESTOWN	NY	2	206.99
JEFFERSON	NY	3	290.80
JOHNSON CITY	NY	1	94.95
JOHNSTOWN	NY	1	105.95
LAKE PLACID	NY	6	3,537.75
LATHAM	NY	1	148.20
MADISON	NY	1	75.00
MALONE	NY	2	728.77
MANCHESTER	NY	1	547.18
MANHATTAN	NY	20	21,376.55
MANHATTEN	NY	1	1,778.00
MONROE	NY	2	205.60
NASSAU	NY	5	4,408.69
NASSAU COUNTY	NY	100	306,063.28
NEW YORK	NY	2	1,400.66
NEW YORK CITY	NY	5	5,606.82
NEWBURGH	NY	3	774.58
NIAGARA	NY	1	571.35
NIAGARA FALLS	NY	4	978.94
NORWICH	NY	3	304.65
OGDENSBURG	NY	1	425.34
OLEAN	NY	2	330.00
ONEIDA COUNTY	NY	1	347.00
ONEONTA	NY	1	190.10
ONONDAGA	NY	1	131.35
ONONDAGA COUNTY	NY	2	274.95
ORANGE	NY	3	548.40
ORANGE COUNTY	NY	1	494.18
PITTSBURGH	NY	1	103.85
PLATTSBURG	NY	2	1,522.70
PLATTSBURGH	NY	3	780.10
PLUM ISLAND	NY	1	3,001.82
POTTSDAM	NY	1	312.60
POUGHKEEPSIE	NY	1	150.00
QUEENS	NY	126	265,745.60
QUEENS COUNTY	NY	3	423.36
QUEENSBURY	NY	1	129.50
RENSSELAER	NY	2	200.00
RICHMOND	NY	1	545.00
RIVERHEAD	NY	1	154.00
ROCHESTER	NY	3	1,178.20

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
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DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
ROUSES POINT	NY	1	207.25
ROUSES PT CLINTON	NY	1	89.94
SARATOGA	NY	7	2,231.21
SARATOGA SPRINGS	NY	11	5,917.20
SORATOGA SPRINGS	NY	1	405.36
ST LAWRENCE	NY	2	145.00
STATEN ISLAND	NY	2	1,356.14
STEUBEN COUNTY	NY	2	380.55
SUFFOLK	NY	5	7,156.45
SUFFOLK COUNTY	NY	92	169,965.80
SYRACUSE	NY	3	1,619.00
TARRYTOWN	NY	1	185.25
UTICA	NY	3	390.50
WARREN	NY	1	321.80
WATERLOO	NY	1	269.80
WATERTOWN	NY	4	490.50
WAVERLY	NY	1	1,332.55
WESTCHESTER	NY	2	1,663.53
WHITE PLAINS	NY	1	968.84
AUCKLAND	NZ	3	8,510.55
AUKLAND	NZ	1	1,170.20
PALMERSTON NORTH	NZ	1	1,968.94
AKRON	OH	3	535.43
ALLIANCE	OH	5	1,128.61
AURORA	OH	2	1,488.73
BELLVILLE	OH	1	300.83
BOARDMAN	OH	13	8,708.95
BOLIVER	OH	1	205.05
BORADMAN	OH	1	567.60
CAMBRIDGE	OH	1	222.24
CANTON	OH	1	169.54
CINCINNATI	OH	8	2,718.64
CLEVELAND	OH	13	3,788.67
COLUMBUS	OH	48	22,490.67
CUYAHOGA	OH	1	67.40
CUYAHOZA	OH	1	119.30
DAYTON	OH	3	1,356.69
DOVER	OH	4	559.61
ERIE	OH	2	278.20
ERIE COUNTY	OH	1	720.42
EUCLID	OH	3	375.14
FAIRFIELD	OH	11	1,716.18
FAIRFIELD`	OH	1	122.28
FRANKLIN	OH	12	1,891.49
GAMBIER	OH	1	7.26
HAMILTON	OH	1	289.52
HURON	OH	1	381.05
JACKSON	OH	1	234.80
JEFFERSON	OH	1	290.64
JEFFERSONVILLE	OH	1	219.48
LAKE	OH	1	62.00
LAKE COUNTY	OH	1	110.80
LANCASTER	OH	1	112.95
LIMA	OH	1	192.15
LISBON	OH	1	223.90
LUCAS	OH	1	126.26
MAHONING	OH	3	594.00
MANSFIELD	OH	4	799.69
MARIETTA	OH	2	214.99
MARYSVILLE	OH	1	106.01
MEDINA	OH	1	106.74
MIDDLEBURG HEIGHTS	OH	1	274.95
MT VERNON	OH	2	376.72
N CANTON	OH	1	106.19
NORTH CANTON	OH	4	455.78
PICKERINGTON	OH	9	1,715.46
POLAND	OH	9	4,816.86
PORTSMOUTH	OH	1	288.04
REYNOLDSBURG	OH	2	207.58
SANDUSKEY	OH	1	100.29
SANDUSKY	OH	6	2,341.46
SEVILLE	OH	2	312.10
SOUTH BEND	OH	1	1,042.26
SPRINGFIELD	OH	1	765.26

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
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DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
ST CLAIRSVILLE	OH	2	253.26
STARK	OH	2	445.53
STEUBENVILLE	OH	2	395.64
SUMMIT	OH	4	542.86
TOLEDO	OH	7	2,138.43
VICKERY	OH	1	568.60
WASHINGTON C.H.	OH	1	93.32
WASHINGTON COURT	OH	1	93.12
WILMINGTON	OH	2	943.68
WOOSTER	OH	1	183.76
YOUNGSTOWN	OH	18	10,118.90
ZANESVILLE	OH	1	108.42
ADA	OK	2	625.00
ALTUS	OK	11	2,300.20
ARDMORE	OK	23	1,173.34
ATOKA	OK	8	1,572.13
BARLESVILLE	OK	1	107.15
BARTLESVILLE	OK	6	2,905.44
BRISTOW	OK	1	86.42
BROKEN ARROW	OK	1	330.85
BROKEN BOW	OK	2	176.30
CHICKASHA	OK	5	419.48
DUNCAN	OK	7	1,062.70
DURANT	OK	2	281.38
EL RENO	OK	1	339.97
ELK CITY	OK	2	1,501.82
ENID	OK	1	799.12
EU FAULA	OK	1	87.20
EUFAULA	OK	1	312.97
GARVIN	OK	2	1,002.83
GORE	OK	18	810.00
GUYMAN	OK	1	304.34
GUYMON	OK	6	1,972.11
HOBART	OK	1	99.70
HOLDENVILLE	OK	1	141.00
KINGSTON	OK	1	108.30
LAKE MURRAY	OK	3	375.57
LAWTON	OK	1	197.05
MC ALESTER	OK	1	86.23
MCALESTER	OK	2	294.64
MIAMI	OK	2	185.08
MOORE	OK	2	2,550.35
MUSKOGEE	OK	4	300.60
NORMAN	OK	5	2,416.42
OKLA CITY	OK	1	225.00
OKLAHOMA CITY	OK	86	18,672.87
OKMULGEE	OK	4	450.39
PAULS VALLEY	OK	2	280.38
PRYOR	OK	1	85.91
SALLISAW	OK	2	168.68
SEMINOLE	OK	1	86.41
SHAWNEE	OK	1	91.90
STEPHENS	OK	3	860.00
STILLWELL	OK	1	45.00
SULPHUR	OK	4	764.90
TULSA	OK	63	35,852.15
WAGONER	OK	2	174.13
WOODWARD	OK	9	1,149.00
ALBANY	OR	2	375.68
ASHLAND	OR	5	917.42
BAKER CITY	OR	2	218.99
BANDON	OR	1	199.18
BEND	OR	12	2,238.06
BEND/DESCHUTES	OR	1	130.83
BENTON	OR	1	229.74
BROOKINGS	OR	1	187.18
BURNS	OR	4	924.40
CHILOQUIN	OR	1	240.80
COOS BAY	OR	1	100.00
COQUILLE	OR	1	131.43
CORVALLIS	OR	1	104.80
COTTAGE GROVE	OR	2	213.56
CROOK COUNTY	OR	1	90.00
DESCHUTES	OR	3	788.41

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
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DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
ELKTON	OR	36	3,921.63
EUGENE	OR	4	604.08
FOREST GROVE	OR	1	512.75
GOLD BEACH	OR	3	495.76
HERMISTON	OR	6	1,255.73
HERMISTON/UMATILLA	OR	1	102.75
HILLSBORO	OR	1	408.90
HOOD RIVER	OR	1	99.32
JACKSON	OR	2	1,572.37
JACKSON COUNTY	OR	3	587.53
JOHN DAY	OR	8	655.29
JORDAN VALLEY	OR	1	79.00
JORDON VALLEY	OR	5	545.64
KLAMATH	OR	1	191.00
KLAMATH FALLS	OR	3	475.26
LA GRANDE	OR	2	3,691.48
LAGRANDE	OR	1	345.52
LAKE	OR	1	75.00
LAKEVIEW	OR	6	754.30
LANE	OR	1	493.76
LAPINA	OR	1	242.65
LINCOLN CITY	OR	1	1,616.88
MALHEUR	OR	1	202.16
MAUPIN	OR	2	729.77
MEDFORD	OR	13	8,673.14
MULTNOMAH	OR	2	632.79
NEWPORT	OR	1	116.00
ONTARIO	OR	12	1,995.71
PENDLETON	OR	13	2,525.00
PORTLAND	OR	29	17,231.96
PRINEVILLE	OR	4	1,309.70
ROSEBURG	OR	5	755.79
SALEM	OR	24	5,161.91
SALEM/MARION	OR	1	374.80
THE DALLES	OR	2	267.64
VALE	OR	2	470.87
WASCO	OR	1	642.74
WASCO, UNION	OR	1	744.25
WASHINGTON	OR	7	2,781.17
ALLEGHENY	PA	1	421.05
ALTOONA	PA	4	1,377.60
ASUNCION	PA	4	4,638.18
BEDFORD	PA	1	195.15
BREEZEWOOD	PA	2	218.15
BUCKS COUNTY	PA	1	980.99
CENTER	PA	2	500.68
CENTER COUNTY	PA	2	2,121.74
CENTRE COUNTY	PA	4	930.50
CHAMBERSBURG	PA	2	200.95
CLINTON	PA	2	435.65
DANVILLE	PA	1	103.05
DAUPHIN	PA	3	396.00
DAUPHIN CO	PA	1	132.00
DAUPHIN COUNTY	PA	2	270.30
ERIE	PA	8	2,642.47
ESINGTON	PA	1	138.00
GETTSBURGH	PA	1	314.85
GETTYSBURG	PA	1	97.50
HARRISBURG	PA	63	31,671.99
HERSHEY	PA	1	601.99
HUNTINGDON	PA	1	105.00
KING OF PRUSSIA	PA	3	474.06
LACKAWANNA	PA	1	262.97
LACKAWANNA COUNTY	PA	1	414.06
LAKE ARIEL	PA	1	105.00
LANCASTER	PA	11	13,176.25
LEHIGH	PA	1	270.00
LEWISBURG	PA	4	6,910.83
MEADVILLE	PA	1	95.00
MECHANICSBURG	PA	3	2,278.18
PENN STATE	PA	1	769.00
PHILADELPHIA	PA	36	34,754.73
PHILEDELPHIA	PA	1	869.91
PITTSBURGH	PA	7	4,886.02

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
PITTSTON	PA	2	212.10
SAXONBURG	PA	1	243.22
SAYRE	PA	1	1,246.66
SCRANTON	PA	3	595.02
SELINGSGROVE	PA	1	255.00
SELINSGROVE	PA	1	452.11
SNYDER	PA	1	337.70
ST COLLEGE	PA	1	736.67
STATE COLLEGE	PA	27	18,922.11
TOWANDA	PA	1	95.00
TUNKHANNOCK	PA	1	186.75
WESTMORELAND	PA	1	45.00
WILKES BARRE	PA	9	2,611.67
WILKSBARRE	PA	1	100.00
WILLIAMSPORT	PA	1	212.93
YORK	PA	1	45.00
LIMA	PE	10	15,936.33
WARSAW	PL	1	1,386.07
OTHER	PM	26	3,548.98
PANAMA	PM	2	1,380.10
PANAMA CITY	PM	3	1,816.49
SANTIAGO,VERAGUAS	PM	2	261.40
LISBON	PO	3	5,213.47
AQUADILLA	PR	1	144.80
CAROLINA	PR	2	3,271.71
MAYAGUEZ	PR	13	11,756.32
PONCE	PR	7	4,190.05
ROOSEVELT RDS & NAV	PR	1	1,539.00
SAN JUAN	PR	71	99,717.68
PROVIDENCE	RI	1	721.34
WARWICK	RI	1	65.00
WEST GREENWICH	RI	1	606.00
BUCHAREST	RO	1	305.80
MANILA	RP	3	3,392.19
MOSCOW	RS	1	4,092.99
OTHER	RS	1	2,149.08
AIKEN	SC	3	529.15
BEAUFORT	SC	5	1,411.52
BERKELEY	SC	1	288.40
CHARLESTON	SC	11	6,950.46
CHARLESTOWN	SC	1	990.47
COLUMBIA	SC	42	8,240.41
CONWAY	SC	2	253.53
DILLON	SC	1	277.11
FLORENCE	SC	3	373.65
GAFFNEY	SC	1	200.60
GEORGETOWN	SC	2	192.95
GREENVILLE	SC	1	339.34
LANCASTER	SC	1	331.02
MANNING	SC	2	174.24
MYRTLE BEACH	SC	7	1,401.56
NEWBURY	SC	1	266.27
NORTH MYRTLE BEACH	SC	1	181.66
NORTH MYRTLE BEACH	SC	10	2,023.46
PIEDMONT	SC	1	162.95
RIDGELAND	SC	3	1,046.46
ROCK HILL	SC	1	357.55
SANTEE	SC	1	197.66
SIMPSONVILLE	SC	1	109.26
SPARTANBURG	SC	1	841.35
SUMMERVILLE	SC	1	371.02
WALTERBORO	SC	1	96.65
YORK	SC	1	98.25
ABERDEEN	SD	8	1,223.17
BELLE FOURCHE	SD	1	444.60
BELLEFOUCHE	SD	1	201.36
FLANDREAU	SD	1	92.25
FT. PIERRE	SD	1	101.24
GREGORY	SD	1	502.13
HOT SPRINGS	SD	3	736.88
HOVEN	SD	1	125.00
HUGHES	SD	1	267.00
HURON	SD	3	751.91
KEYSTONE	SD	2	337.10

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
LEAD	SD	1	75.00
LEMMON	SD	1	326.15
MILBANK	SD	1	223.29
MILLER	SD	2	410.14
MITCHELL	SD	1	104.40
MOBRIDGE	SD	3	510.34
PENNINGTON	SD	1	126.00
PENNINGTON COUNTY	SD	1	462.97
PIERRE	SD	21	4,855.72
PLATTE	SD	1	82.80
RAPID CITY	SD	24	14,018.24
SELBY	SD	5	957.69
SIOUX FALLS	SD	25	8,506.83
SISSETON	SD	3	953.31
SPEARFISH	SD	2	377.70
WAGNER	SD	2	321.22
WATERTOWN	SD	7	1,505.90
WAUBAY	SD	1	412.78
WEBSTER	SD	5	1,777.00
YANKTON	SD	2	238.66
CAPE TOWN	SF	4	2,876.32
CAPETOWN	SF	1	4,038.59
JOHANNESBURG	SF	2	4,189.23
OTHER	SF	1	1,423.36
PILANESBURG	SF	1	1,828.35
PRETORIA	SF	3	10,464.84
SUN CITY	SF	1	4,805.26
OTHER	SN	1	922.32
MADRID	SP	2	833.46
VALENCIA	SP	1	326.21
GENEVA	SZ	3	2,545.29
TRINDAD AND TOBAGO	TD	1	2,168.27
BANGKOK	TH	3	7,725.12
NAKHON RATCHASIMA	TH	1	759.07
ALAMO	TN	1	725.16
BUCHANAN	TN	1	218.50
CHATTANOGA	TN	1	45.00
CHATTANOOGA	TN	7	653.65
CLARKSVILLE	TN	3	3,152.89
CLEVELAND	TN	2	213.48
COFFEE	TN	1	600.80
COLUMBIA	TN	8	2,599.60
COOKEVILLE	TN	4	2,321.31
COOKVILLE	TN	12	4,744.45
COVINGTON	TN	1	169.53
DAVIDSON	TN	2	972.24
DYERSBURG	TN	3	1,070.93
FAYETTEVILLE	TN	4	1,760.89
GREENEVILLE	TN	1	358.24
HAMILTON	TN	1	116.85
HARRIMAN	TN	2	995.87
JACKSON	TN	12	5,814.58
JOHNSON CITY	TN	1	96.08
KINGSPORT	TN	1	195.14
KNOXVILLE	TN	42	7,579.81
KODAK	TN	1	439.16
MADISONVILLE	TN	1	84.64
MANCHESTER	TN	1	252.07
MCMINNVILLE	TN	4	2,948.13
MEMPHIS	TN	44	18,332.50
MORRISTOWN	TN	1	194.36
MUFREESBORO	TN	1	112.44
MURFREEESBORO	TN	1	713.84
MURFREESBORO	TN	19	9,178.79
MURFRESSBORO	TN	1	112.09
NASHVILLE	TN	58	21,344.99
NEWPORT	TN	1	197.92
PARIS	TN	1	45.00
PULASKI	TN	1	476.85
RUTHERFORD	TN	4	1,913.09
SEVIER	TN	1	112.38
SHELBY	TN	3	342.81
SHELBYVILLE	TN	4	2,219.08
SHLEBY	TN	1	113.32

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
SPRINGFIELD	TN	1	230.12
TULLAHOMA	TN	3	984.14
UNION CITY	TN	1	179.06
ANKARA	TU	1	538.48
ISTANBUL	TU	1	2,207.74
TAIPEI	TW	3	8,001.79
COLLEGE STATION	TX	1	45.00
ABILENE	TX	9	7,575.01
ABILINE	TX	1	1,910.81
ABLIENE	TX	1	407.41
ALICE	TX	10	2,382.70
ALPINE	TX	15	2,826.56
AMARILLO	TX	24	6,898.05
ANYWHERE	TX	1	1,532.36
ARCHER	TX	1	1,951.00
ARLINGTON	TX	143	107,880.07
ARLINTON	TX	1	804.50
ATHENS	TX	2	688.85
AUSTIN	TX	176	82,861.20
AUSTIN/TRAVIS	TX	1	486.50
AUSTING	TX	1	285.25
BASTROP	TX	2	374.66
BATESVILLE	TX	1	93.00
BAY CITY	TX	1	90.00
BEAUMONT	TX	2	360.56
BEE	TX	1	100.00
BELL	TX	9	3,018.41
BEXAR	TX	10	8,627.27
BIG BEND	TX	1	564.50
BIG SPRING	TX	3	1,342.58
BIG SPRINGS	TX	1	515.35
BOERNE	TX	1	164.90
BONHAM	TX	1	368.20
BRACKETTVILLE	TX	1	190.28
BRADY	TX	6	3,887.46
BRAZORIA	TX	3	1,249.57
BREWSTER	TX	7	815.85
BROWNFIELD	TX	2	809.12
BROWNSVILLE	TX	12	3,934.39
BROWNWOOD	TX	4	491.85
BRYAN	TX	11	4,323.80
BURNET	TX	1	2,170.60
BURNETT	TX	1	160.45
CADDO LAKE	TX	4	1,705.15
CADDO LAKE PK	TX	1	398.70
CAMERON	TX	94	80,097.66
CAMERON COUNTY	TX	6	3,322.40
CANERON	TX	1	107.00
CANYON	TX	18	5,418.12
CARTHAGE	TX	1	100.00
CHAMBERS	TX	1	252.00
CHILDRESS	TX	5	1,226.19
COLEMAN	TX	8	4,423.84
COLLEGE STATION	TX	25	25,361.44
COLORADO CITY	TX	1	167.66
COLUMBUS	TX	1	128.00
COMFORT	TX	4	715.97
CORPUS CHRISTI	TX	1	693.12
CORPUS CHRISTI	TX	15	3,731.30
COTULLA	TX	19	24,125.51
CRANE	TX	1	629.60
DALHART	TX	5	891.80
DALLAS	TX	58	89,365.29
DAWSON	TX	5	1,426.70
DEAF SMITH	TX	1	75.00
DEL RIO	TX	3	985.73
DELTA	TX	1	873.76
DENTON	TX	3	1,187.48
DIMMIT	TX	1	480.00
DIVINE	TX	1	1,215.60
EAGLE PASS	TX	7	3,374.41
EASTLAND	TX	2	428.40
EDINBURG	TX	28	6,120.16
EL CAMPO	TX	1	346.40

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
EL PASO	TX	68	71,309.84
EL PASO/EL PASO	TX	1	184.56
ELDORADO	TX	1	75.00
FAIRFIELD	TX	2	152.00
FALFURRIAS	TX	2	499.48
FAYETTEVILL	TX	1	173.00
FLATONIA	TX	3	1,385.19
FORT STOCKTON	TX	12	3,151.21
FORT STOCTON	TX	1	342.45
FORT WORTH	TX	64	36,149.73
FORT WQORTH	TX	1	57.00
FREDERICKS	TX	2	324.75
FREDERICKSBURG	TX	12	6,690.38
FREDRICKSBURG	TX	3	872.52
FT STOCKTON	TX	1	957.93
FT WORTH	TX	3	1,254.21
FT. COLLINS	TX	1	1,641.13
FT. STOCKTON	TX	1	537.73
FT. WORTH	TX	5	4,627.06
FT.STOCKTON	TX	1	537.73
GAINES COUNTY	TX	1	83.42
GALVESTON	TX	5	3,112.32
GATESVILLE	TX	1	85.00
GEORGETOWN	TX	3	571.15
GILLESPIE	TX	1	238.00
GILMER	TX	1	130.00
GLEN ROSE	TX	1	176.10
GOLIAD	TX	4	3,005.30
GRAHAM	TX	40	79,619.66
GRAHAM/OLNEY	TX	1	1,978.50
GRANBURY	TX	1	188.66
HAMILTON	TX	3	1,148.83
HARLINGEN	TX	5	3,075.17
HARPER	TX	1	219.72
HARRIS COUNTY	TX	2	1,888.52
HARRISON	TX	1	812.91
HEBBRONAILLE	TX	1	168.95
HEBBRONVILLE	TX	2	254.36
HENDERSON	TX	2	193.48
HIDALGO	TX	37	20,262.81
HOUSTON	TX	106	105,095.31
HOWARD	TX	1	181.33
IRION	TX	2	897.80
IRION COUNTY	TX	1	506.50
JACKSONVILLE	TX	1	352.40
JASPER	TX	1	422.40
JUNCTION	TX	1	330.00
KARMACK	TX	1	636.00
KARNACK	TX	3	849.00
KERMIT WINKLER	TX	2	180.00
KERR	TX	1	610.64
KERRVILLE	TX	50	18,521.74
KERVILLE	TX	1	302.75
KILGORE	TX	1	94.67
KILLEEN	TX	1	399.00
KINGSVILLE	TX	6	1,414.49
KINNEY	TX	2	143.56
LAMAR	TX	1	520.00
LAMESA DAWSON	TX	1	232.00
LAMPASAS	TX	2	358.85
LAMPASS	TX	1	479.90
LARDEO	TX	1	232.11
LAREDO	TX	176	46,467.58
LEWISVILLE	TX	1	232.15
LIBERTY	TX	1	2,219.31
LIVINGSTON	TX	1	154.64
LONGVIEW	TX	1	270.00
LUBBOCK	TX	22	5,267.12
LUFKIN	TX	6	1,361.92
MARFA	TX	1	147.50
MARSHALL	TX	2	470.40
MATADOR	TX	1	441.00
MC ALLEN	TX	1	981.97
MCALLEN	TX	42	38,741.35

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
MCLEAN	TX	2	440.00
MENARD	TX	2	466.47
MERKEL	TX	2	153.90
MIDLAND	TX	21	5,508.80
MISSION	TX	7	7,314.94
MOUNT PLEASANT	TX	2	686.99
MT PLEASANT	TX	2	942.96
MULESHOE	TX	2	1,279.34
NACOGDOCHES	TX	2	371.00
NUCES	TX	1	163.41
NUECES	TX	4	416.14
OLNEY	TX	44	83,815.50
OLNEY/GRAHAM	TX	1	4,487.31
OTHER	TX	1	3,148.16
OZONA	TX	1	513.15
PECOS	TX	4	1,739.48
PERRYTON	TX	1	135.00
PLAINVIEW	TX	1	95.00
PORT ARTHUR	TX	8	1,785.33
PORT LAVACA	TX	1	188.90
POTTER	TX	2	1,751.53
PRESIDIO	TX	9	1,979.17
QUEEN CITY	TX	1	230.46
RANKIN	TX	2	1,136.20
RIO GRANDE CITY	TX	3	375.00
ROBSTOWN	TX	13	1,604.52
ROUNDROCK	TX	1	621.00
RUSK	TX	1	101.49
S PADRE ISLAND	TX	6	6,586.51
S. PADRE ISLAND	TX	2	5,289.35
SALADO	TX	2	667.00
SAN ANGELO	TX	1	258.00
SAN ANGELO	TX	25	8,797.01
SAN ANTONIO	TX	230	178,002.67
SAN ANTONIO/BEXAR	TX	2	486.22
SAN MARCOS	TX	3	1,241.87
SAN SABA	TX	79	63,483.51
SANDERSON	TX	2	541.43
SARITA	TX	1	287.16
SATTLER	TX	1	442.60
SEALY	TX	1	479.75
SEGIN	TX	1	214.73
SEGUIN	TX	1	193.80
SEQUIN	TX	1	273.25
SHAMROCK	TX	1	90.00
SNYDER	TX	3	1,058.40
SONORA	TX	7	2,145.73
SOUTH PADRE ISLAND	TX	57	56,053.87
STARR	TX	2	180.00
STEPHENSVILLE	TX	1	390.00
STEPHENVILLE	TX	6	2,325.30
STERLING CITY	TX	1	75.00
SULPHUR SPRINGS	TX	1	270.00
SUTTON	TX	2	441.56
SWEETWATER	TX	4	1,061.48
TARRANT	TX	2	2,412.74
TAYLOR	TX	2	439.95
TEXARKANA	TX	18	2,971.99
TYLER	TX	6	876.89
UVALDE	TX	1	135.00
VAL VERDE	TX	2	289.99
VAN HORN	TX	3	825.44
VERNON	TX	1	224.84
VICTORIA	TX	3	1,376.67
WEBB	TX	124	40,415.12
WHEELER	TX	2	505.00
WICHITA	TX	1	98.00
WICHITA FALLS	TX	4	4,894.45
WILBARGER	TX	1	81.16
WINKLER	TX	1	176.00
WINNIE	TX	7	3,936.14
YOUNG	TX	5	13,144.85
YOUNG COUNTY	TX	1	2,418.50
ZAPATA	TX	2	180.00

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
810	TX	1	3,695.84
OTHER	TZ	1	1,582.15
BELFAST	UK	1	3,766.29
BURY ST EDMONDS	UK	1	3,505.08
BURY ST EDMUNDS	UK	5	15,682.96
BURY ST. EDMONDS	UK	1	3,551.31
EDINBURGH	UK	6	7,397.08
HERTFORDSHIRE	UK	1	2,005.67
HIGH WYCOMBE	UK	1	1,842.88
KENT	UK	1	1,384.26
LONDON	UK	10	17,642.26
MANCHESTER	UK	1	1,820.63
OTHER	UK	2	719.33
OXFORD	UK	2	2,442.61
SURREY	UK	1	1,747.89
0XFORD	UK	1	1,473.49
CACHE COUNTY	UT	2	1,750.51
CARBON CO	UT	1	715.38
CARBON COUNTY	UT	5	1,201.41
CEDAR CITY	UT	6	1,045.92
DELTA	UT	8	2,260.90
DUCHESNE COUNTY	UT	1	450.00
GARFIELD COUNTY	UT	11	3,701.15
GRAND COUNTY	UT	5	1,574.82
GREEN RIVER	UT	1	146.50
IRON COUNTY	UT	4	438.87
JUAB COUNTY	UT	6	936.00
KANAB	UT	1	312.20
KANE COUNTY	UT	3	910.66
LAYTON	UT	1	687.25
LOGAN	UT	23	8,919.38
MILLARD	UT	1	342.65
MILLARD COUNTY	UT	3	281.76
MILLVILLE	UT	1	165.00
MOAB	UT	2	231.08
OGDEN	UT	1	126.56
PAROWAN	UT	1	105.30
PAYSON	UT	2	464.01
PROVO	UT	3	1,061.96
RICHFIELD	UT	2	180.64
ROOSEVELT	UT	2	197.32
SALT LAKE	UT	5	3,875.75
SALT LAKE CITY	UT	78	52,276.81
SALT LAKE COUNTY	UT	1	384.95
SAN JUAN COUNTY	UT	1	269.20
SANPETE COUNTY	UT	17	3,862.50
SEVIER COUNTY	UT	1	168.13
ST. GEORGE	UT	1	303.68
SUMMIT	UT	2	1,165.31
SUMMIT COUNTY	UT	4	537.18
UINTA COUNTY	UT	1	315.00
UINTAH	UT	5	878.99
UINTAH COUNTY	UT	12	3,400.44
VERNAL	UT	6	803.24
WASATCH	UT	1	244.50
WAYNE	UT	1	98.85
WAYNE COUNTY	UT	1	83.04
WEST VALLEY	UT	1	354.44
MONTEVIDEO	UY	11	12,578.06
PUNTA DEL ESTE	UY	1	2,597.03
ABINGDON	VA	9	1,701.98
ALEXANDRIA	VA	9	8,040.44
ARLINGOTN	VA	1	437.38
ARLINGTON	VA	35	36,194.64
AUGUSTA	VA	1	77.50
BLACKSBURG	VA	4	1,126.37
BLACKSBURGS	VA	1	105.73
BROADWAY	VA	1	23.50
CHARLOTTESVILLE	VA	6	1,718.38
CHESTERFIELD	VA	3	358.42
CHRISTIANBURG	VA	1	105.00
CHRISTIANSBURG	VA	7	3,947.80
CHRISTINASBURG	VA	1	75.00
COLONIAL HGTS	VA	1	143.63

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
COURTLAND	VA	2	434.00
EMPORIA	VA	1	283.28
FAIRFAX	VA	29	22,816.39
FAIRFAX COUNTY	VA	5	4,322.53
FALLS CHURCH	VA	7	6,494.22
FARMVILLE	VA	2	373.76
GILES	VA	1	39.96
HAMPTON	VA	3	452.05
HARRISBURG	VA	1	232.38
HARRISONBURG	VA	7	1,355.14
HERNDON	VA	1	192.00
HOT SPRINGS	VA	1	823.26
LANGLEY	VA	1	459.68
LEXINGTON	VA	7	1,356.04
LOUDON	VA	3	504.00
LOUDOUN	VA	1	1,201.86
LYNCHBURG	VA	3	477.30
MONTEREY	VA	1	75.00
MT JACKSON	VA	2	1,687.26
NORFOLK	VA	20	14,628.63
NORFORK	VA	1	1,001.16
PORTSMOUTH	VA	1	538.75
PULASKI	VA	2	1,226.99
RADFORD	VA	2	384.32
RICHMOND	VA	40	12,386.23
ROANOKE	VA	6	7,003.99
ROCKY MOUNT	VA	1	108.80
SALEM	VA	1	88.24
SPRINGFIELD	VA	1	174.38
STAUNTON	VA	1	227.36
SYRIA	VA	1	103.83
TASSWELL	VA	1	763.00
TIMBERVILLE	VA	1	561.40
VIRGINIA BEACH	VA	16	9,173.62
WARRENTON	VA	1	345.90
WASHINGTON DC	VA	1	161.00
WILLIAMSBURG	VA	6	2,497.88
WINCHESTER	VA	1	100.90
WOODBRIDGE	VA	1	112.74
WYHTEVILLE	VA	1	193.66
WYTHEVILLE	VA	4	2,496.87
WYTHVILLE	VA	1	193.26
OTHER	VC	1	1,098.39
CARACAS	VE	3	2,365.49
ST CROIX	VI	5	2,809.15
ST THOMAS	VI	2	4,119.76
ST. CROIX	VI	56	47,839.06
ST. THOMAS	VI	5	3,809.88
HANOI	VM	2	4,543.79
HO CHI MINH CITY	VM	1	3,826.48
HOCHIMINH CITY	VS	1	2,892.52
AUGUSTA	VT	1	87.80
BERLIN	VT	1	2,256.92
BURLINGTON	VT	23	21,792.71
CHITTENDEN	VT	3	1,364.65
DERBY LINE	VT	1	98.28
FRANKLIN	VT	1	499.00
MONTPELIER	VT	6	1,740.96
NEWPORT	VT	1	94.45
ORANGE	VT	2	267.27
ORLEANS COUNTY	VT	1	376.96
PUTNEY	VT	4	393.64
ST ALBANS	VT	10	2,947.37
STOWE	VT	7	4,723.23
VERGENNES	VT	1	158.42
WASHINGTON	VT	10	1,195.84
BELLINGHAM	WA	5	1,202.13
BENTON COUNTY	WA	1	404.12
BILLINGHAM	WA	1	104.35
BLAINE	WA	14	13,649.50
CHEHALIS	WA	1	105.34
CHELAN	WA	2	550.93
CLALLAM	WA	1	25.50
CLANKSTON	WA	1	304.20

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
CLARKSTON	WA	1	81.95
COLVILLE	WA	7	1,306.91
COULEE DAM	WA	1	694.94
DES MOINES	WA	1	335.10
EATONVILLE	WA	1	99.00
ELLENSBURG	WA	1	96.01
EVERETT	WA	1	135.57
GRANT COUNTY	WA	1	558.80
KELSO	WA	3	632.47
KENNEWICK	WA	5	2,646.19
KING	WA	9	8,661.13
KITSAP	WA	1	319.41
LACROSS	WA	2	90.00
LEWIS	WA	2	214.68
LOON LAKE	WA	2	164.50
LYNDEN	WA	3	2,435.47
MOSES LAKE	WA	21	5,195.46
NORTH BEND	WA	1	153.55
OCEAN SHORES	WA	1	148.18
OKANOGAN	WA	1	325.45
OLYMPIA	WA	41	39,947.62
PASCO	WA	1	113.60
PATEROS	WA	1	216.71
PORT TOWNSEND	WA	5	2,874.77
PROSSER	WA	1	105.51
PULLMAN	WA	13	4,758.69
PUYALLOP	WA	1	424.78
QUINCY	WA	1	83.43
RENTON	WA	1	149.93
SEATTLE	WA	78	66,315.51
SELAH	WA	1	200.68
SILVERDALE	WA	8	1,288.20
SKAGIT	WA	1	1,824.48
SPOKANE	WA	16	6,081.68
SUMAS	WA	1	105.11
THURSTON	WA	2	381.06
TONASKET	WA	1	210.02
TOPPENISH	WA	1	186.01
TUMWATER	WA	1	120.80
VANCOUVER	WA	6	4,055.78
WENATCHEE	WA	7	1,604.40
WHATCOM	WA	2	572.27
WILBUR	WA	1	402.36
WINDHOEK	WA	2	1,486.38
WOLLA WOLLA	WA	1	199.38
YAHIMA	WA	1	948.75
YAKIM	WA	1	366.65
YAKIMA	WA	23	9,273.33
ABBOTSFORD	WI	1	100.92
APPLETON	WI	12	9,023.66
BALDWIN	WI	1	97.00
BARABOO	WI	1	373.36
BARON	WI	1	728.28
BLACK RIVER FALLS	WI	1	242.47
BROOKFIELD	WI	1	400.24
CABLE	WI	7	756.00
DANE	WI	15	3,653.79
DODGEVILLE	WI	3	294.18
EAU CLAIRE	WI	6	961.16
ELLISON BAY	WI	1	83.00
FOND DU LAC	WI	2	192.72
GREEN BAY	WI	13	5,076.34
GREENBAY	WI	2	221.41
HAYWARD	WI	2	429.43
IOWA	WI	2	270.00
JANESVILLE	WI	1	87.29
KAUKAUNA	WI	2	297.50
LA CROSSE	WI	1	102.46
LACROSSE	WI	2	272.57
LINCOLN CO	WI	2	1,052.42
MADISON	WI	88	40,567.20
MARINETTE	WI	2	148.85
MAUSTON	WI	1	197.10
MILWAUKEE	WI	25	29,944.03

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
MINOCQUA	WI	1	176.50
MONONA	WI	2	241.12
MONROE	WI	2	356.93
OSH KOSH	WI	1	919.50
OSHKOSH	WI	1	830.50
OUTAGAMIE	WI	1	132.72
PLATTEVILLE	WI	1	99.90
PORTAGE	WI	6	1,538.40
REEDSBURG	WI	4	844.11
RHINELANDER	WI	4	671.74
RICHLAND CITY	WI	1	2,485.22
STEVENS POINT	WI	3	294.00
SUN PRAIRIE	WI	10	1,271.68
TOMAHAWK	WI	1	61.50
WAUPUN	WI	3	517.56
WAUSAU	WI	7	737.30
WISCONSIN DELLS	WI	18	3,386.05
WISCONSIN RAPIDS	WI	3	1,739.79
WISCONSINRAPIDS	WI	1	819.40
BECKLEY	WV	2	215.56
BERKELEY COUNTY	WV	1	276.17
CHARLESTON	WV	10	2,664.19
CHARLESTOWN	WV	2	265.06
ELKINS	WV	17	2,577.00
ELKVIEW	WV	1	286.33
FAIRMONT	WV	3	522.68
FLATWOODS	WV	1	100.00
HARPERS FERRY	WV	3	659.62
HARRISON	WV	1	201.61
JACKSON	WV	1	305.50
JEFFERSON	WV	2	711.16
LEWISBURG	WV	1	101.42
MARION	WV	1	111.25
MARMET	WV	1	99.39
MARTINSBURG	WV	6	1,466.78
MEADOW BRIDGE	WV	4	398.78
MOOREFIELD	WV	1	45.00
NEW MARTINSVILLE	WV	2	130.98
PETERSBURG	WV	2	1,289.60
PHILIPPI	WV	1	90.99
PRINCETON	WV	5	1,196.09
RALEIGH	WV	2	1,111.52
RIPLEY	WV	1	284.85
SHEPERDSTOWN	WV	1	422.43
SHEPHERDSTOWN	WV	11	8,254.05
SUMMERSVILLE	WV	1	95.09
WALLBACK	WV	4	316.39
WHEELING	WV	2	554.07
YOUNGSTOWN	WV	1	476.10
AFTON	WY	4	839.82
BAGGS	WY	3	318.10
BIG HORN COUNTY	WY	9	1,345.50
BUFFALO	WY	9	1,897.86
CARBON COUNTY	WY	11	2,349.57
CASPER	WY	35	7,393.43
CHEYANNE	WY	1	382.66
CHEYENNE	WY	41	8,709.94
CODY	WY	22	6,128.04
CROOK COUNTY	WY	1	91.00
DIAMONDVILLE	WY	4	539.28
DOUGLAS	WY	3	562.23
DUBOIS	WY	3	631.09
DUBOISE	WY	1	119.00
EVANSTON	WY	3	1,219.83
FREMONT	WY	2	2,028.96
FREMONT COUNTY	WY	14	1,457.50
GILLETTE	WY	6	1,179.17
GOSHEN	WY	1	39.00
GOSHEN COUNTY	WY	4	236.60
GRAYBULL	WY	1	308.10
GREYBULL	WY	2	175.60
HANNA	WY	1	192.48
HOT SPRINGS COUNTY	WY	2	494.00
HULETT	WY	2	232.35

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
FY 2001 FIELD PERSONNEL TRAVEL (TDY, FOREIGN, AND CHANGE OF STATION) COST BY DESTINATION

DESTINATION		NUMBER OF TRIPS TAKEN	TOTAL COST
JACKSON	WY	26	12,784.01
KAYCEE	WY	1	87.80
LARAMIE	WY	12	2,155.46
LINCOLN COUNTY	WY	41	4,687.36
LINCOLN CTY	WY	2	247.00
LINGLE	WY	1	105.00
LOVELL	WY	3	542.89
LUSK	WY	2	537.16
PARK	WY	1	295.72
PARK COUNTY	WY	18	2,957.50
PINEDALE	WY	7	1,417.56
POWELL	WY	2	367.68
RAWLINGS	WY	1	90.36
RAWLINS	WY	3	958.90
RIVERTON	WY	16	2,855.98
ROCK SPRINGS	WY	48	19,570.02
SHERIDAN	WY	1	100.00
SHERIDAN COUNTY	WY	19	2,028.00
SUBLETTE COUNTY	WY	17	2,834.00
SUNDANCE	WY	1	1,394.28
TETON	WY	4	1,892.99
TETON COUNTY	WY	2	312.00
TETON CTY	WY	1	96.80
THERMOPOLIS	WY	6	2,063.43
TORRINGTON	WY	8	1,932.78
UINTA COUNTY	WY	13	1,669.00
WASHAKIE COUNTY	WY	2	247.00
WHEATLAND	WY	2	449.19
WORLAND	WY	3	458.97
WRIGHT	WY	1	1,330.70
MBABANE	WZ	1	453.18
BELGRADE	YO	2	729.21
TOTALS		22,065	16,434,961.82

The single most costly item in APHIS' budget is the salaries and benefits for nearly 7,000 people in FY 2001. It stands to reason that we must get the most productivity and performance out of this resources. This happens through on site participation and management of the thousands of activities related to plant and animal diseases and pests, conflicts with wildlife, and humane treatment of animals. Our field inspector and investigators, when operating out of their home, must go to research facilities, border blitz sites, and investigate regulatory violations. Other field veterinarians and epidemiologists must travel to conduct surveillance and monitoring activities throughout the U.S. as well overseas to assist foreign countries in their pest and disease eradication and control efforts. We also must participate first hand in trade barrier resolutions to help the American agricultural producer receive fair compensation for their products sent overseas. Our employees must be trained in the latest scientific techniques and capabilities for identifying and controlling pests and diseases at far away selected laboratory facilities and field sites. Other technical and administrative training requires our employees to travel to the most cost effective locations, again from many duty stations throughout this country. We are a decentralize organization, placing people where the work needs to be done. Because of this decentralization, APHIS must incur travel expenses to help staff perform their duties and obtain training to improve their ability to assist the U.S. agricultural sector.

Mr. Bonilla: According to the object class breakout, APHIS will spend $23,059,000 on travel in fiscal year 2002. How much has been obligated to date? Provide all travel plans that have been approved or are pending that support this fiscal year 2002 estimate.

Response: As of March 19, 2002, $6,859,611 has been obligated for travel costs in FY 2002. The National Finance Center's travel database reflects an additional $23,081,629 in planned travel that has not yet occurred or been vouchered.

CITRUS CANKER

Mr. Bonilla: How much is APHIS spending in fiscal year 2002 on citrus canker including appropriated and CCC funds?

Response: The FY 2002 funding level is yet to be determined.

Mr. Bonilla: Please provide an update of all Congressional Directives related to APHIS from House Report 107-116, and House Report 107-275.

House Report 107-116	House Report 107-275	Status
AQI Appropriated Encourages APHIS to explore the use of computer tomography technology to more effectively execute its contraband interception mission.	No similar language	For several years, APHIS had been developing an automated tomographic x-ray luggage inspection system but after having outside review of the project, consulting with FAA, and inadequate progress, we terminated the project. The basic technology is innovative but not likely to increase effectiveness and efficiency beyond technology that is current on the market. The Agency will fund future x-ray development only after review by

House Report 107-116	House Report 107-275	Status
		knowledgeable FAA scientists.
AQI Appropriated Import Inspection Activites - The Committee is concerned that resources of the Department of Agriculture are being used to finance the expenses of activities not of primary benefit to American agriculture. For example, APHIS expends valuable resources inspecting food packing materials that are used for imported manufactured goods as a to guard against invasive species. While these inspection activities are vital, their cost should be borne by the importer of the goods. The Committee directs the Department to provide a report prior to the fiscal year 2003 hearing detailing the nature and volume of inspected imported materials, to what extend those items are imported primarily for agricultural or non-agricultural use, what the costs are for inspecting and treating items related to non-agricultural use, and what level of fees could properly be assessed in order to have the imported pay the cost of any inspection or treatment.	No similar language	A response was submitted to the House Subcommittee on March 4, 2002. In the response we mention that appropriated funds do not fund inspections of packing materials. Importers pay for these services through AQI user fee charges.
AQI Appropriated Urges APHIS to continue working closely with U.S. avocado growers in implementing procedures for importation of Mexican avocados. The Committee directs APHIS to report on the status of Mexican avocado imports, including any problems in pest surveys and oversight by APHIS personnel including the division of Mexican avocados to other than	The conferees do not include House language directing the agency to report to the congress prior to publishing any rules expanding the approved the approved areas or lengthening time periods for importation of Mexican avocados. Those rules are in the process of being promulgated. The conferees direct APHIS to report to the Committees on	Provided update to the Appropriations Committee in June 2001. We will report to the Committees again after the 2001-2002 shipping season.

House Report 107-116	House Report 107-275	Status
approved destinations. The Committee also directs APHIS to report to Congress prior to publishing any rules expanding the approved areas or lengthening time periods for importation of Mexican avocados. The Committee is concerned that USDA's rule-making, which did not include an advanced notice of public rule-making, has not been adequately open for comment by domestic and international growers and that USDA should allow additional comment on the science supporting such expansion of states or extension of shipping season for avocados imported from Mexico.	Appropriations on the status of Mexican avocado import, including any problems in pest surveys, and oversight by APHIS personnel, including the diversion of Mexican avocados to other than approved destinations.	
Cattle Tick Provided $6,232,000 for cattle tick eradication program. The committee notes that there are at least two vacant inspector positions (Mission and Brownsville, TX), that have gone unfilled for lack of funds, the program's vehicle fleet of 60 vehicles all have over 80,000 miles each and existing radio equipment needs replacing. The Committee has included an additional $500,000 over the President's request for this program. The Committee expects the agency to fill at least two inspector vacancies, replace at least 5 vehicles and ensure that the radio equipment is up-to-date.	No similar language	APHIS announced 2 inspector positions (1 in Brownsville; 1 in Laredo). In January 2002, the program received 9 vehicles. The remainder of the radio equipment necessary to update the system has been requested.
Fruit Fly Provided $34,818,000 for the fruit fly program. The Committee has included an additional $2,000,000 to address the inequity in the distribution of funds for fruit fly trapping	Conference agreement includes funds to address the inequity in the distribution of funds for fruit fly trapping in California and Florida by increasing the California program by	APHIS provided this $4 million to the California Department of Food & Agriculture (CDFA) through a cooperative agreement. The CDFA will devote $150,000 of these funds

House Report 107-116	House Report 107-275	Status
in Florida and California. The Committee directs the Agency to increase the California fruit fly trapping program by $2,000,000 to close the gap in the distribution of funds. The Committee is aware of the emerging program that the olive fly is having on the olive industry and directs APHIS to provide adequate resources to combat this pest.	$4,000,000 as proposed by the Senate instead of $2,000,000 as proposed by the House.	toward olive fruit fly activities.
Import/Export Export Certification User Fees - Aware of user fees associated with the certifications of exports of livestock and livestock semen and embryos at such a level that they maintain full cost recovery and do not prohibit the export of livestock, livestock semen and embryos and make these products noncompetitive in the international marketplace. The Committee instructs USDA to review the current user fee structure and to report back to this Committee on this structure and how this structure was established. This review should include a summary of the fees that are charged to exporters for various services and delineate how USDA arrived at such a fee. It is the intent of the Committee that user fees should recover the full cost of these services provided by USDA. USDA should consider the impact of the user fee upon exporting entities and ensure that user fees recover the cost incurred, but do not limit the international marketing opportunities for livestock, livestock semen and embryos.	No similar language	We are drafting the report and expect to have it finalized by March 31, 2002.
No Similar Language	*Import/Export*	We will use $7.2 million

House Report 107-116	House Report 107-275	Status
	The conferees encourage, APHIS, inorder to strengthen protections of U.S. meat and poultry supply, to expedite the development of its automated database system to track imported meat and animal product shipments and its Automated Manifest System, designed to automatically target shipments for hold.	in Homeland Security Supplemental funds to develop this system.
Animal Health Monitoring & Surveillance Provides an additional $750,000 for the National Poultry Improvement Plan. Expects APHIS to use the additional funds to increase the number of Salmonella isolates to be serotyped and to increase the number of antigan/antiserum test kits for avian influenza.	Conference provides an increase of $2,429,000 for AHM&S program instead of $1,229,000 as proposed by the Senate. The conference agreement includes an additional $300,000 for the National Poultry Improvement Plan instead of $750,000 as proposed by the he House and the fiscal year 2001 level of funding as proposed by the Senate.	The funds ($300,000) have been directed to NVSL for support of NPIP activities on Salmonella serolyping and Avian Influenza GID tests.
Animal Health Monitoring & Surveillance Within the amount provided for AHM&S, $4,000,000 is available for pseudorabies monitoring and surveillance.	No similar language	Will use funding as directed.
Animal Health Monitoring & Surveillance Provides continued funding at the FY 2001 level for the National Farm Animal Identification and Records Project for dairy cattle to be coordinated with the Holstein Association.	No similar language	APHIS will comply with this directive.
Animal Health Monitoring & Surveillance Included an increase of $1,000,000 for a cooperative agreements with the Wisconsin Animal Health Consortium for a pilot project to aid in creating a universal identification and database retrieval system for tracking the movement of animal and animal-based food products. The Committee	The conference agreement includes a $750,000 increase for a cooperative agreement with the Wisconsin Livestock Identification Consortium for a pilot project instead of $1,000,000 as proposed by the House and $500,000 as proposed by the Senate.	APHIS is working with the Wisconsin Livestock Identification consortium in preparation for the agreement. The consortium selected a Board of Directors, elected officers, submitted a budget and will administer the funds.

House Report 107-116	House Report 107-275	Status
urges APHIS and the Wisconsin Animal Health Consortium to work in concert with the National Farm Animal Identification Project to ensure that duplication of program does not occur.		
No similar language	*Animal Health Monitoring & Surveillance* The conference agreement includes $100,000 to develop a bio-security demonstration and outreach program in cooperation with the Vermont Department of Agriculture and the University of Vermont College of Agriculture instead of $200,000 as proposed by the Senate.	APHIS is developing a cooperative agreement with the Vermont Department of Agriculture and the University of Vermont College of Agriculture to develop a bio-security demonstration and outreach program.
Animal and Plant Health Regulatory Enforcement Provides $7,601,000 for animal and plant health regulatory enforcement. Includes an increase of $1,000,000 plus pay costs for investigative enforcement and expects the Agency to hire additional investigators to begin addressing the backlog of animal care investigations.	The conference agreement includes an increase of $1,852,000 as proposed by the Senate instead of $1,000,000 as proposed by the House. The conferees direct the agency to include animal welfare violations and related enforcement responses in the agency's annual report to Congress.	EIS met with representatives of animal concern groups on February 4, 2002 to discuss how the funds will be used. The group was advised of locations where additional inspectors would be placed with emphasis on heavy Animal Care workloads. APHIS will comply and will report enforcement responses in the agency's annual report to Congress by the end of the fiscal year.
Emergency Management System Provides $5,044,000 for the Emergency Management System, an increase of $2,000,000 above the President's request. The Committee expects APHIS to place emergency managers in the Federal Emergency Management Agency regions across the country. The Committee encourages APHIS to use the funds to make grants to States to establish animal health emergency standards and programs.	The conference agreement provides an increase of $1,000,000 for the Emergency Management System instead of $2,000,000 as proposed by the House.	APHIS will use these funds to place approximately 7 emergency managers in the field.
Emergency Management System	No similar language	APHIS prepared a response in mid-March

House Report 107-116	House Report 107-275	Status
The Committee directs APHIS to determine if existing quantitative tools are available to assess the effectiveness of local government planned response to potential outbreaks of bovine diseases and to report to the Committee on Appropriation what existing quantitative tools are available by December 1, 2001.		outlining existing quantitative tools to assess the effectiveness of local government planned responses.
No similar language	*Boll Weevil* The conference agreement provides $77,355,000 for boll weevil instead of $33,931,000 as proposed by the House and $79,157,000 as proposed by the Senate.	Will use funding as directed.
Brucellosis Provides an additional $600,000 for the Greater Yellowstone Brucellosis Committee and encourages the coordination of Federal, state and private actions aimed at eliminating brucellosis from wildlife in the Greater Yellowstone area.	The conference agreement includes the fiscal year 2001 level of funding for the Greater Yellowstone Interagency Brucellosis Committee as proposed by the Senate instead of $600,000 as proposed by the House.	APHIS is in the process of allocating funds to the GYIBC.
Brucellosis Urges APHIS and ARS to work cooperatively and expeditiously with the National Park Service, the U.S. Geological Survey and the U.S. Forest Service to begin implementing of a vaccination program for bison in FY 2002 and to report back to Congress annually on the dollar amounts expended, the nature of the work funded and the progress and results of these efforts.	No similar language	APHIS will track the dollar amounts spent annually and nature of the work funded in the GYA. APHIS will report back to the Congress before the end of FY 2002 with our accomplishments.
No similar language	*Chronic Wasting Disease* The conference agreement provides includes an increase of $750,000 to implement a program for chronic wasting disease under the AHM&S line item instead of $1,000,000 for a new line item proposed by the Senate.	These funds have been allocated to the field for CWD activities.

House Report 107-116	House Report 107-275	Status
Emerging Plant Pests Provides $48,515,000 for emerging plant pests program including $3,618,000 for the base program; $10,000,000 for glassy-winged sharpshooter; and $34,897,000 to augment CCC transfer to combat emergency outbreaks for citrus canker, Asian longhorned beetle and plum pox virus.	The conference agreement includes $43,130,000 for the emerging plant pests program instead of the $48,515,000 as proposed by the House and $28,557,000 as proposed by the Senate. Within this total, the conferees expect that $3,618,000 be provided for the base program. In addition to funds made available from the Commodity Credit Corporation, the conferees direct that of this appropriation, no less than $8,500,000 be provided for activities regarding the glassy-winged sharpshooter; and no less than $31,030,000 be provided to combat emergency outbreaks of citrus canker in Florida, the Asian long-horned beetle in New York and Illinois (of which no less than $1,500,00 shall be for activities in the area of Chicago, Illinois), plum pox virus, and Mormon crickets and grasshoppers, of which $500,000 shall be for Utah. Conferees direct the Secretary of Agriculture to continue to use the authority provided in this bill to transfer funds from the Commodity Credit Corporation for the arrest and eradication of animal and plant pests and diseases that threaten American agriculture	Of the $43.13 million available, APHIS will direct $14.83 million toward Asian Longhorned Beetle (ALB) activities, $9.09 million toward citrus canker activities, $8.5 million toward glassy-winged sharpshooter activities, $3.618 million toward base activities (which includes $2.1 million for ALB), $3.614 million toward grasshopper activities and $3.478 million toward plum pox activities. We will continue to request CCC funds for emergency arrest and eradication programs when necessary.
Golden Nematode Included an increase of $400,000 for golden nematode control efforts in New York. The Committee directs APHIS to coordinate the use of added funds with the New York State Department of Agriculture and Markets and Cornell University.	The conference agreement provides an increase of $200,000 for golden nematode instead of $400,000 as proposed by the House.	APHIS is using the additional funds to replace obsolete equipment, make repairs at an aging facility at Westhampton, New York (partially occupied by NY State Dept. Of Agriculture & Markets at no cost), and increase survey for the recently discovered RO2 strain of

House Report 107-116	House Report 107-275	Status
		golden nematode. Discussions with Cornell University about possibly increasing the cooperative agreement above the current $50,000 are ongoing.
Imported Fire Ant Support a program for the control management and eradication of the imported fire ant and provides $2,118,000 for this program, of which $45,000 is for New Mexico.	The conference agreement includes $2,868,000, of which $45,000 is for New Mexico, for imported fire ants instead of $2,118,000 as proposed by the House and $3,618,000 as proposed by the Senate.	We are using the increase to increase cooperative funds provided to the States for additional surveillance, compliance, and enforcement of the Federal quarantine, in accordance with the directive. In FY 2002, $107,000 is being provided to New Mexico, which includes the designated $45,000.
No similar language	*Noxious Weeds* The conference agreement includes an increase of $125,000 in association with the Nez-Perce Bio-control Center instead of $250,000 as proposed by the Senate.	APHIS is working with Nez-Perce Biocontrol Center to develop a plan for use of these funds.
No similar language	*Pink Bollworm* The conference provides an increase of $250,000 over fiscal year 2001 for pink bollworm instead of $455,000 proposed by the Senate.	Directing funds to the San Joaquin Valley, Texas, and New Mexico
Wildlife Services Directs the continuation of the following programs that were included in fiscal year 2001: (1) $250,000 for wildlife services to contain crop and aquaculture losses in southeastern Missouri; (2) $625,000 for a cooperative agreement with Georgia Wildlife Services and the University of Georgia to conduct research on and control of game bird predation in Georgia; (3) $100,000 for trapping in VA to combat increased predation by coyotes (4) $100,000 for wildlife biologist to serve North Florida, southeast Louisiana and southwest Georgia; (5)	No Similar Language	(1) APHIS will comply with this directive (2) APHIS will work cooperatively with the University of Georgia to develop critical methodology to minimize racoon and other ground predator damage and will begin to implementing an operational program. (3) APHIS will have additional staff to address increased predation to sheep in Virginia. (4) APHIS will support the wildlife biologist position in Florida. (5) APHIS will comply with this directive. (6) APHIS will comply with this directive. (7) APHIS will allocate the funds equally among the three states to

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$150,000 for black-bird control efforts for reduction in blackbird damage to rice; (6) $240,000 for rodent control in Hawaii; and (7) $1,000,000 for predator control programs livestock operator in Montana, Wyoming and Idaho.		protect livestock from predators such as coyotes, bears, mountain lions, and wolves.
Wildlife Services Provides for $16,500,000 for rabies control efforts.	The conference agreement provides $8,250,000 for rabies control program instead of $16,500,000 as proposed by the House and $4,600,000 as proposed by the Senate. The Conferees expect the Agency to direct funds to Texas, West Virginia, Ohio; New York, Vermont, Wyoming, and other states.	The Agency has entered into or is establishing cooperative agreements to provide surveillance or oral vaccination programs to control rabies with the following States: Vermont, New York, Pennsylvania, Ohio, West Virginia, Virginia, Tennessee, Alabama, Florida, Texas; Wyoming, and California.
No similar language	*Wildlife Services* The conference agreement continues support for blackbird control activities in North Dakota, South Dakota & Louisiana and in addition, provides an increase of $240,000 for completion of an environmental impact statement necessary for a baiting program scheduled to begin in March 2002.	We expect the draft EIS to be complete in October 2002 and will then distribute it for public review.
Wildlife Services Provides additional $500,000 for predator control in Montana, Wyoming and Idaho.	Conference agreement provides an increase of $300,000 for predator control activities in Montana, Wyoming, and Idaho instead of $500,000 proposed by the Senate	APHIS is preparing a report on the distribution of APHIS funds for wolf depredation activities and will submit it to the Committees in April 2002.
Wildlife Services Provides additional funding for the following items in its fiscal year 2002 appropriation for Wildlife Services: an additional $1,000,000 for aerial operations safety; an additional $1,000,000 for Wildlife Services in the State of Texas to bring the Federal cost-share into line with the national	No similar language	APHIS will comply with the directive for aerial operations. APHIS will comply with the directive to bring the Federal cost-share of Texas into line with the national average. APHIS is preparing a report on the distribution of APHIS funds for wolf depredation activities

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average; and additional $500,000 for predator control in Montana, Wyoming & Idaho.		and will submit it to the Committees in April 2002.
No similar language	*Wildlife Services* The conference agreement provides $300,000 above the fiscal year 2001 funding level for the South Dakota Department of Game and Fish instead of $500,000 proposed by the House and Senate.	We provided $300,000 in a cooperative agreement to South Dakota Game, Fish and Parks as was directed by the Congress.
No similar language	*Wildlife Services* The conference agreement provides $125,000 for cost-sharing beaver control program in Louisiana instead of $250,000 as proposed by the Senate.	Will use funding as directed.
Wildlife Services Bird Hazards/ public safety -- The Committee is aware that the Federal Aviation Administration (FAA) and USDA have previously entered into a Memorandum of Understanding to develop a cooperative approach to resolving bird hazards to civilian aviation in the furtherance of public safety. In addition, FAA statistics show that Florida now experiences more bird strikes to aircraft than any other state. The Committee is concerned about this situation and strongly encourages the agency to examine the feasibility of providing two additional wildlife biologists and associated resources in Florida to strengthen the response to their increasing wildlife hazard.	No similar language	This is an unfunded directive. The Agency does not have available resources to provide additional personnel in Florida to respond to increased wildlife hazards.
Animal Care Provides an increase of $3,027,000 from the fiscal year 2001 funding level ($2,400,000 above the President's request) The Committee directs APHIS to hire additional 14 inspectors and	The conference agreement includes an increase of $2,400,000 for animal welfare as proposed by the House instead of $1,627,000 as proposed by the Senate, and directs APHIS to hire an additional 14 inspectors	As of February 20, 2002, we have hired ten new inspectors. The remaining four vacancies have been readvertised due to technical problems and we hope to fill them by early June.

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support staff so that the overall number of inspections can increase, and those facilities that are in noncompliance may be reinspected more frequently.	and support staff so that the overall number of inspections can increase, and those facilities that are in non-compliance may be re-inspected more frequently. The conferees encourage the Secretary to use any additional funds made available during the fiscal year 2001 for these activities to increase program effectiveness as quickly as possible, and remind the Secretary of Agriculture of the request for information on this subject in Senate Report 107-33.	APHIS has provided input for the report referenced in the Senate Report 107-33. However, APHIS is not the lead agency in preparing a response.
No Similar Language	*Animal Care* The conferees have been made aware of reports regarding captive polar bears recently imported in the United States and request APHIS to report back to the Committee on Appropriation by January 1, 2002 on this matter.	Letter to Congressional Committees was signed by Administrator on January 31, 2002
No Similar Language	*Animal Care* The conferees direct the agency to include animal welfare violations and related enforcement responses in the agency's annual report to Congress.	APHIS will comply and report responses in the annual report to Congress by the end of the fiscal year.
No Similar Language	*Veterinary Biologics* The conference agreement provides an increase of $1,036,000 for the Center for Veterinary Biologics instead of $1,186,000 as proposed by the Senate.	The increase provides for pay cost and other business related costs to ensure processing and testing is done in a timely manner.
ISAP Provides $2,500,000 an increase of $1,502,000 above the President's request for maintenance and replacement cost of network servers.	The conference agreement provides an increase of $750,000 instead of $1,000,000 as proposed by the House.	Maintenance and upgrade of an existing system formerly called ISAP and now called APHIS Information Technology Infrastructure (AITI). AITI is the hardware, software, and telecommunications infrastructure that provides employees with office automation, e-mail, Internet access and access to mission critical applications.

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		In FY 2002, APHIS will use GSA and other Government-wide IT contracts to maintain, update, and expand this critical IT infrastructure that was put in place under ISAP.
Wildlife Methods Provides $12,955,000 an increase of $1,500,000 above the President's request for Wildlife Services Methods Development to address infrastructure deficiencies at the National Wildlife Research Center. The Committee expects a report from APHIS on the extent of the deficiencies at the NWRC & the associated costs to correct them.	No similar language	APHIS is preparing a report on NWRC deficiencies and will submit to the Committees in April 2002.
No similar language	*Wildlife Methods* The conference agreement provides an increase of $1,500,000 for wildlife services methods development of which $1,000,000 is to address infrastructure deficiencies at NWRC and $500,000 is for non-lethal predator control methods of which $50,000 is for work at the Monell Center in Pennsylvania.	APHIS will use the $500,000 increase for expanded research on new nonlethal predator problems. This funding, in combination with current methods development, will allow us to place greater emphasis on the development of new nonlethal methods such as broadened contraceptive and immunology methods development; application of new technologies in chemosensory repellent/attractants and engineering to human safety and wildlife damage problems; and, development of new, acceptable wildlife capture systems as alternatives to those perceived as injurious to wildlife.
Wildlife Methods Continue a $500,000 project to develop a reproductive inhibitor for Canadian geese at the National Wildlife Research Center.	No similar language	APHIS will allocate $500,000 to develop a reproductive inhibitor for Canadian geese at NWRC.
Wildlife Methods The Committee directs the Department to continue	No similar language	Wildlife Services has provided a cooperative agreement of $247,000 to

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the current funding level for the Jack Berryman Institute in Utah.		Utah State University -- Jack Berryman Institute.
Buildings & Facilities Provides an appropriation of $7,189,000, a decrease of $2,659,000 below the amount available for fiscal year 2001 an increase of $2,000,000 above the budget request.	For plans, construction, repairs, preventative 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 48a, $7,189,000 to remain available until expended.	APHIS will use the $1.996 million for basic buildings and facilities repair, alterations and preventative maintenance; transfer $3.139 million to Agricultural Research Service from Plum Island, New York facility; and $2.0 million for the "one stop" facility at the Miami International Airport that will house the PPQ Air Cargo Operations, the Plant Inspection Station, the Canine Operations Kennel Units and a 100 stall animal import/export center.
Buildings & Facilities Miami International Airport Facility The Committee included an additional $2,000,000 for buildings and facilities to cover costs associated with the new "one-stop" facility to be built at Miami International Airport that will house the Plant Protection and Quarantine, Air Cargo Operations, the Plant Inspection Station, the Canine Operation Kennel Units, and a 100 stall animal import/export center.	No similar language	APHIS will use $2,000,000 with proposed $5,000,000 in the FY 2003 Budget Request to complete phases 3 and 4 of Miami Facility. Completion of facility is contingent upon receiving funds requested in the FY 2003 President's Budget.
CCC The Committee expects the Secretary of Agriculture to continue to use the authority provided in this bill to transfer funds from the Commodity Credit Corporation for the arrest and eradication of animal and plant pests and diseases that threaten American agriculture. By providing funds in this account, the Committee is enhancing the work	No similar language	Will Comply with this directive. As of March 8, 2002 the following CCC transfers have been approved for FY 2002: Chronic Wasting Disease ($12.2 million); Infectious Salmon Anemia ($8.3 million); and Medfly ($14.1 million).

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that has begun to combat emergency outbreaks.		
CCC Notes that funds appropriated in this bill are subject to obligation within the fiscal year for which they are appropriated while funds transferred from the CCC are available until expended. For example, according to USDA's FY 2002 budget justifications, there is about $65,000,000 in CCC funds that was transferred in FY 2000 that was still available for obligation as of April 9, 2001. If those funds had been appropriated, they would not have been available in FY 2001. The use of the Secretary's emergency authority places the Department in a better position to respond to emergencies, more so than the annual budget and appropriations cycles that takes about 18 months to complete	No similar language	N/A
General Provisions Sec. 704 The contingency fund to meet emergency conditions, fruit fly, programs, the integrated systems acquisitions project, the boll weevil program up to 25 percent of the screwworm program and up to $2,000,000 for costs associated with collocating regional offices.	Sec 705 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, fruit fly program, emerging plant pests, integrated systems acquisition project, boll weevil program up to 25 percent of the screwworm program and up to $2,000,000 for costs associated with collocating regional offices.	N/A
General Provisions Sec 713. This provision provides that the marketing services of the AMS, GIPSA, APHIS, and the food safety	Sec 713. Notwithstanding chapter 63 of title 31, United States Code, marketing services of the Agricultural Marketing Service; the	N/A

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activities of the FSIS may use cooperative agreements	Grain Inspection, Packers and Stockyards Administration; the Animal and Plant Health Inspection Service; and the food safety activities of the Food Safety and Inspection Service may use cooperative agreements to reflect a relationship between the Agricultural Marketing Service; the Grain Inspection, Packers and Stockyards Administration; the Animal and Plant Health Inspection Service or the Food Safety and Inspection Service and a state or cooperator to carry out agricultural marketing programs, to carry out programs to protect the nation's animal and plant resources, or to carry out educational programs or special studies to improve the safety of the nation's food supply.	
General Provisions Sec.732. Language is included that prohibits the use of funds to issue a notice of proposed rulemaking to promulgate a proposed rule or to otherwise change or modify the definition of "animal" in existing	House Section 731: The conference agreement includes language (Section 732) regarding limitations on issuing a proposed rule modifying the Animal Welfare Act.	N/A
No similar language	*West Nile Virus* The conferees are concerned about the spread of West Nile Virus in Illinois and expect APHIS to work with the State of Illinois and the University of Illinois on cooperative ways to conduct research, monitor, and respond to the outbreak, including using contingency funds. Senate Section 761: The conference agreement does not include language regarding West	The Agency will utilize contingency funds for the West Nile Virus in FY 2002 and will conduct surveillance and monitoring efforts in Illinois.

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	Nile Virus. The conferees encourage the Secretary to use the APHIS contingency fund to combat West Nile Virus in Illinois	
No similar language	*Mare Reproductive Loss Syndrome* Senate Section 755 - The conference agreement does not include language regarding Mare Reproductive Loss Syndrome. The conferees encourage the Secretary to use the APHIS contingency fund to combat Mare Reproductive Loss Syndrome in Kentucky.	N/A
No similar language	*Citrus Canker* Sec 761. Citrus Canker Eradication . (1) in subsection (a) by striking "The" and inserting "Subject to subsection (e), the "; and (2) in subsection (e), by striking "2001" and inserting "2002." Senate Section 754: The conference agreement includes language (Section 761) that extends the date for citrus canker eradication payments as proposed by the Senate.	N/A
General Provisions 5. Authority is included to enable the Secretary of Agriculture to transfer from other appropriations or funds of the Department such sums as may be necessary to combat emergency outbreaks of certain diseases of animals, plants, and poultry.	No similar language	N/A
General Provisions 6. A provision carried in the bill since fiscal year 1973 regarding state matching funds has been continued to assure more effective operation of the brucellosis control programs through state cost sharing , with resulting savings to the Federal budget.	No similar language	N/A

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Language includes to allow APHIS to recoup expenses incurred from providing technical assistance goods, or services to non-APHIS personnel.		

FISCAL YEAR 2002 HOMELAND SUPPLEMENTAL APPROPRIATIONS BILL

Mr. Bonilla: The fiscal year 2002 Homeland Supplemental appropriations bill included up to $50,000,000 for the AQI user fee program. Have those funds been apportioned for the AQI user fee program?

Response: Thus far, APHIS is awaiting departmental approval for spending any supplemental funds.

Mr. Bonilla: The supplemental appropriation was predicated on a substantial decrease in AQI user fee receipts after the events of September 11th. Has the agency experienced a significant decrease in the AQI user fee receipts since then?

Response: Based on first quarter collections data, APHIS has experienced a 30-35 percent decrease in collections compared with the same period a year ago.

Mr. Bonilla: What is the fiscal year 2002 projected end-of-year obligation amount for the AQI user fee account and how does that compare to the estimated end-of-year obligations amount when the AQI user fee budget was proposed for fiscal year 2002?

Response: We originally proposed $209 million for the FY 2002 budget. We now estimate obligations to be $270 million for FY 2002. Following the FMD outbreak in Europe in 2001 and the events of September 11, 2001, APHIS has been handling the hiring of additional inspectors in a cautious manner, keeping in mind possible declines in collections.

Mr. Bonilla: What is the fiscal year 2002 projected end-of-year carryover amount for the AQI user fee account and how does that compare to the estimated end-of-year carryover amount when the AQI user fee budget was proposed for fiscal year 2002?

Response: Because of recent events, including those of September 11, the actual amount we will carry over is different. We anticipate a carry-over balance of $20,239,904 by the end of FY 2002.

FRUIT FLY EXCLUSION AND DETECTION

Mr. Bonilla: How much of the fiscal year 2002 appropriation for fruit fly exclusion and detection is going to international activities?

Response: Of the $36,818,000 for the fruit fly programs, $13,559,568 is going to international activities.

Mr. Bonilla: According to the explanatory notes there were 180 outbreaks of Medfly in Mexico in 1999. Were there any outbreaks in Mexico in 2000 or 2001?

Response: There were much fewer than in 1999, reflecting the success of our emergency efforts. APHIS detected 38 cases of Medfly in Mexico in FY 2000, and 65 in FY 2001.

Mr. Bonilla: Has APHIS eradicated domestic fruit fly outbreaks in the States?

Response: Yes, we have. In FY 2001, we detected four exotic fruit flies in Florida: a single Guava fruit fly in Orange County, a single Oriental Fruit Fly in Osceola County, two Oriental flies in Sarasota County, and a single Guava fruit fly. In all cases, we addressed the finds quickly and effectively. These finds prove that the detection program can successfully detect flies at low levels.

In California, we found one Mexican Fruit Fly--MXFF--in San Diego County and a second MXFF in Los Angeles County. Also, we found one wild female Guava fruit fly in Riverside County, four males in Santa Clara County, and one male in San Diego County. In addition, our own program detected 69 Oriental fruit flies over 4 counties, and 4 male Peach Fruit Flies in Santa Clara County, and 2 Medfly adults and 8 larvae in LA County. To help prevent the artificial spread of the fruit flies beyond the affected areas, we increased trapping and established quarantines, where necessary.

Even though we continue to detect single fly events, only the Medfly and the sporadic Oriental fruit fly occurrences have approached the regulatory and control thresholds established in Federal regulations or emergency guidelines. This is consistent with our program goals to detect introductions of exotic fruit flies in their first generation or when no more than one square mile is involved. Our detection and management of fly outbreaks in California, Florida, and Texas is further evidence of our ability to detect, delimit, and eliminate the threat of any fruit fly infestation nationwide.

FOREIGN ANIMAL DISEASE

Mr. Bonilla: Please provide for the record a report on the latest foreign animal disease occurrences overseas.

Response: The following chart shows the date of the outbreak, the country affected, and the disease over the past six months. The chart reflects diseases that were reported to the Office of International Epizootics.

Date	Country	Disease
March 2002	Botswana	Foot-and-Mouth Disease
March 2002	Luxembourg	Classical Swine Fever
February 2002	Kuwait	Foot-and-Mouth Disease
February 2002	Argentina	Equine Viral Arteritis
February 2002	Brazil	Foot-and-Mouth Disease
February 2002	Germany	Classical Swine Fever
January 2002	Slovenia	Bovine Spongiform Encephalopathy
December 2001	Morocco	Sheep Pox
December 2001	Japan	Bluetongue
December 2001	Spain	Classical Swine Fever
December 2001	Morocco	Wohlfahrt's Wound Myiasis
December 2001	Kenya	Rinderpest
December 2001	Finland	Bovine Spongiform Encephalopathy
December 2001	Czech Republic	Infectious Haematopoietic Necrosis
December 2001	Austria	Bovine Spongiform Encephalopathy
November 2001	Austria	Infectious Haematopoietic Necrosis
November 2001	Uganda	Foot-and-Mouth Disease
November 2001	Azerbaijan	Newcastle Disease
November 2001	Slovenia	Bovine Spongiform Encephalopathy
November 2001	Argentina	Maedi Visna
November 2001	New Zealand	Mycoplasma Mycoides
November 2001	Mexico	New World Screwworm
November 2001	Austria	Rabies
November 2001	Italy	Swine Vesicular Disease
October 2001	Yugoslavia	Bluetongue

October 2001	Luxembourg	Classical Swine Fever
October 2001	Malaysia	Foot-and-Mouth Disease
October 2001	Zimbabwe	Foot-and-Mouth Disease
October 2001	Japan	Scrapie
October 2001	Germany	Classical Swine Fever
October 2001	Slovakia	Bovine Spongiform Encephalopathy
October 2001	Macedonia	Bluetongue
October 2001	Canada	Anthrax
October 2001	Cuba	Rabbit Haemorrhagic Disease*
October 2001	Cuba	Classical Swine Fever*
October 2001	Kosovo	Bluetongue
October 2001	Argentina	Bluetongue
October 2001	Japan	Haplosporidiosis
October 2001	Kenya	African Swine Fever
September 2001	Bulgaria	Bluetongue
September 2001	United Kingdom	Postweaning Multisystemic Wasting Syndrome
September 2001	South Africa	African Swine Fever
September 2001	Japan	Bovine Spongiform Encephalopathy
September 2001	Zimbabwe	Rift Valley Fever
September 2001	Zambia	African Swine Fever
September 2001	Greece	Bluetongue
September 2001	Spain	Classical Swine Fever*
September 2001	Italy	Bluetongue*

*Represents new outbreaks of diseases already present in another region of the same country.

Mr. Bonilla: How much of the $4,119,000 increase for the foreign animal disease program will go for staff, and what are the estimated salary and benefit costs?

Response: Of the proposed increase, approximately $1,708,296 would go to salaries and benefits for the additional staff overseas. This represents approximately 41 percent of the total increase request.

Mr. Bonilla: What is the proposed geographic distribution of funds and staff for this funding increase?

Response: With the increase, we propose to place ten additional veterinary medical officers overseas. Two would go to the Middle East or Africa to serve both areas. Another two would go to Southeast Asia and China. We would place 3 in Central America to draw on the infrastructure that the screwworm program has placed there and continue protecting U.S. agriculture from overland disease threats. We would fund one in the Dominican Republic to coordinate the Classical Swine Fever control program. We would place two others in South America.

The proposed funding would also pay salaries and benefits of approximately three local support and technical staff members necessary to carry out the programs at selected locations. The non-salary and benefit portion of the funding increase would be distributed to countries or areas where the staff is placed.

EXOTIC TICKS

Mr. Bonilla: Has APHIS drafted regulations to prevent the introduction of extoic ticks on reptiles?

Response: In FY 2001, APHIS published final regulations to prohibit all species of leopard tortoises, African spurred tortoises, and Bell's hingeback tortoises from entering the United States. APHIS took this action to protect the United States against heartwater disease in domestic and wild populations of ruminants. Heartwater disease is an acute, infectious disease of ruminants including cattle, sheep, goats, white-tailed deer, and antelope. The disease has a mortality rate of at least 60 percent in livestock and a mortality rate

of at least 90 percent in white-tailed deer. APHIS expects to draft additional regulations as a result of our national survey proposed for FY 2003. The national survey will determine the potential species of exotic ticks, screwworm larvea, and other ectoparasites imported on reptiles, amphibians, and other animals.

Mr. Bonilla: You indicated that you expect to inspect approximately 320,000 reptiles and amphibians for import and treat close to 40,000 reptile and amphibian shipments. What data was used to derive these estimates? Does the agency currently have the authority to inspect reptiles and amphibians?

Response: We used several sources of data for our estimates including a 1995 study conducted at Miami International Airport--MIA--on the importation of reptiles and amphibians, and information collected from various State wildlife agencies. While the study supplied us with solid estimate for imports at MIA, we used the information from the State wildlife agencies to extrapolate import figures for other busy ports in California, Texas, and New York. Currently, APHIS has the authority to inspect reptiles and amphibians. This authority is found in Chapter 9, Part 93, of the Code of Federal Regulations.

BOVINE SPONGIFORM ENCEPHALOPATHY

Mr. Bonilla: How does the agency survey for BSE, and why are current surveillance efforts insufficient? Does the inadequacy of the surveillance efforts imply that with improved surveillance that the potential for BSE findings increases or that this would further confirm our BSE-free status?

Response: In cooperation with the Food Safety and Inspection Service--FSIS--and State diagnostic laboratories, the APHIS surveillance program targets the segment of the cattle population where the disease would most likely be found if it were to occur. Brain samples are obtained from adult cattle (>2 years of age) as follows: neurologically ill cattle found on farm; neurologically ill cattle presented at veterinary diagnostic laboratories or hospitals; rabies-negative cattle; cattle condemned at slaughter for neurologic disease; non-ambulatory--down/fallen stock; and adult cattle dying on farms from an unknown cause.

In November 2001, USDA received the results of the Harvard Risk Assessment on BSE. This report found that the risk of BSE occurring in the U.S. is very low. However, because of the devastating impact the disease has had on the United Kingdom's cattle industry, we determined that we should make every effort to assure consumers and our trading partners that the United States is BSE-free. Secretary Veneman directed additional actions in an effort to maintain the world's confidence in our system. One action is to increase surveillance. To date, additional surveillance has shown no evidence that BSE or any other cattle TSE exists in the U.S. The rate of surveillance in the U.S. for each of the last 5 years has been at least double the amount recommended by the Office of International Epizootics--OIE. In 2001, the rate of surveillance was ten times that recommended by OIE. We will continue increasing testing for BSE, with more than 12,500 cattle samples targeted in FY 2002--up from 5,000 during FY 2001 and 2,600 in FY 2000. Surveillance is a critical part of the Agency's multifaceted strategy and will continue in the United States and, as in the past, we will adjust as science or risk factors dictate. The additional surveillance will provide further evidence of our BSE-free status.

Mr. Bonilla: On what basis will $4,000,000 of the FMD/FAD funding increase in the AHM&S line item be allocated to the States? Which states would receive funds?

Response: APHIS would provide funds to the States through established grant procedures. The funds would be allocated based on each State's at-risk animal population per square mile. APHIS would also take into consideration the existing surveillance infrastructure within a State.

Mr. Bonilla: On what basis will $3,000,000 of the BSE funding increase in the AHM&S line item be allocated to the States? Which states would receive funds?

Response: APHIS would provide funds to the States through a combination of grants and cooperative agreements. The funds would be allocated to the States based on our targets for surveillance as well as the need to dispose of carcasses. The States where we collect the most samples would get a bigger portion of the funding.

Mr. Bonilla: How much is the agency currently spending on BSE surveillance efforts? How much is the agency currently spending on FMD/FAD surveillance efforts?

Response: The Agency will spend approximately $943,298 from contingency funds on BSE surveillance efforts in FY 2002. Additionally, the Agency expects to spend $1.5 million from the homeland security supplemental on BSE surveillance efforts. The Agency will spend approximately $675,000 from the annual appropriation on FMD/FAD surveillance efforts in FY 2002, plus an additional $8.3 million from the homeland security supplemental.

EMERGENCY MANAGEMENT SYSTEM

Mr. Bonilla: Please provide a state-by-state allocation of the funds provided in FY 2002 for the emergency management system.

[The information follows:]

Break Down State-by-State of EMS funds for FY 2002

State	Projected Expenditures	Amount to State
Alabama, Alaska, Arizona, Arkansas, Connecticut, Delaware, Florida, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, West Virginia, Wisconsin, Wyoming	Per each State: National Animal Health Emergency Management System (NAHEMS) Grant=$20,000 Public Awareness Campaign= $7,714 Emergency Management and Foreign Animal Disease Training Courses = $6,338 Total Per State = $34,052	$1,362,080

California, Massachusetts, Illinois, Missouri, New York, Pennsylvania, Texas, Washington	Per each State: 1 Federal Emergency Management Agency (FEMA) Liaison Position at a GS-14 = $78,265 1 Support Staff for FEMA Liaison Position at a GS-07 = $31,397 Equipment and Supplies for FEMA Liaison Position = $20,000 Travel for FEMA Liaison Position = $10,000 NAHEMS Grant = $20,000 Public Awareness Campaign = $7,714 Emergency Management and Foreign Animal Disease Training Courses = $6,338 Total Per State = $173,714	$1,389,712
Colorado	1 FEMA Liaison Position at a GS-14 = $78,265 1 Support Staff for FEMA Liaison at a GS-7 = $31,397 Equipment and Supplies for FEMA Liaison Office = $20,000 Travel for FEMA Liaison = $10,000 1 Biosecurity Training Position at a GS-13 = $66,229 Tuition Costs for Biosecurity Training Position = $20,000 NAHEMS Grant = $20,000 Public Awareness Campaign = $7,714 Emergency Management and Foreign Animal Disease Training Courses = $6,338	$259,943
Other	Funds to support Veterinary Medical Officer rotations in Bolivia and the Dominican Republic and for expenses such as contracts at the national level (test exercises, disease guidelines, Emergency Management System--EMS--newsletters, etc.)	$1,155,213

Of the $4.2 million for the EMS program for FY 2002, we will use $1,000,000 for the NAHEMS grant program. As we have not yet announced the grant advertisement, we do not know which States will apply for or receive the awards. For this reason, we have evenly divided the grant funds amongst all the States. We have also evenly distributed $300,000 for pamphlets, videos, binders, and slides to be used in a public awareness campaign amongst all the States. In addition, we have evenly distributed $216,900 to all the States for Foreign Animal Disease Training.

PEST DETECTION

Mr. Bonilla: How does the agency determine if and when a pest has become established in the United States?

Response: We use the term "established" as defined by the Food and Agriculture Organization of the United Nations' International Plant Protection Convention's "Glossary of Phytosanitary Terms," to mean that a pest, after entry, has achieved perpetuation within an area for the foreseeable future. While we have no absolute or fixed criteria for determining that a pest is established, APHIS typically makes such a determination after evaluating available data and in consultation with stakeholders and cooperators at the State and/or regional level.

Mr. Bonilla: What pests have recently been determined as being established?

Response: The following is a list of pests are reported as having been established in the United States since October 1, 2001. The data represents when the pests became known to APHIS, not when they became established in the United States.

October 2001

Lachnopus floridanus
Parandrita permixtus
Paroxacis interrita
Sinoxylon congigerum
Acizzia sp. near hakeae
Acizzia sp. near jucunda
Cucurbit Yellow Stunting Disorder Crinivirus
Eucalyptolyma maideni
Glycaspis brimblecombei
Hemitarsonemus tepidariorum
Microsphaera Mildew on Nandina
Phacidiopycnis pyri
Pomacea canaliculata
Rhodotypos scandens
Tomato Yellow Leaf Curl Virus
Eutetranychus near orientalis
Rhizopycnis vagum
Acremonium cucurbitacearum
Amauromyza flavifrons
Mature Watermelon Vine Decline
Yponomeuta malinetus

November 2001

Hylurgus ligniperda
Nasutitermes costalis
Bipolaris hawaiiensis
Pseudaonidia trilobitiformis
Aethina tumida
Aleyrodes proletella
Maize Necrotic Streak Virus
Cactoblastis cactorum
Undaria pinnatifida

December 2001

Claviceps africana
Phlyctema vagabunda
Pepper Mild Tigre Begomovirus
Phaeosphaeria maydis

Phytophthora ramorum

January 2002

Beet Necrotic Yellow Vein Benyvirus
Carausius morosus
Gypsonoma aceriana
Hypericum canariense

February 2002

Halyomorpha halys
Polyscytalum pustulans
Aulacaspis tubercularis
Pepino Mosaic Potexvirus
Phakopsora pachyrhizi
Puccinia glechomatis
Potato Yellow Dwarf Nucleorhabdovirus
Metamasius callizona
Cenopalpus pulcher
Xiphinema pacificum

March 2002 to date (3/15/2002)

Puccinia distincta
Puccinia lagenophorae
Callidiellum rufipenne

Mr. Bonilla: Who are some of the cooperators and stakeholders that APHIS would develop new partnerships with to manage pest survey programs that the agency is not cooperating with currently?

Response: We would include the USDA Cooperative Extension Service extension agents; Master Gardeners--a cadre of university-trained volunteers who serve as educators in their communities; independent crop consultants; local governments including counties and districts; Tribal representatives; and invasive species councils.

Mr. Bonilla: What is a traditional cooperator, and what is a nontraditional cooperator?

Response: By traditional cooperator, we are referring to those entities with whom we have collaborated in the past such as State departments of agriculture; State regulatory agencies; and other Federal agencies such as the Forest Service, Bureau of Land Management, and Fish and Wildlife Service. Nontraditional cooperators would include those entities with whom we are not currently cooperating, such as those cited in the previous response, but with whom we intend to explore and hopefully develop new partnerships in managing pest survey programs.

Mr. Bonilla: What are some examples of pest detection technologies that would enhance the pest detection program?

Response: Our examples include development of new attractants, the use of molecular techniques for identification, ELISA testing for faster on-site diagnostics, Global Positioning Systems, Geographic Information Systems, and the use of climatic data and computer modeling to determine the ability of a pest to survive in a given area.

Mr. Bonilla: What States will the 62 people be located in if this funding increase were approved?

Response: We anticipate that the positions will be dispersed over many States, although we have not yet determined the precise locations. We will

consider such factors as pathways into a State, as well as agricultural and environmental factors in making the final determination.

Mr. Bonilla: How do you determine where to allocate these funding and staffing resources?

Response: We use a collaborative process. First, State committees identify survey needs and develop budgets for projects for their respective States. Next, regional committees--composed of State, Federal, university, and regional Plant Board members--identify needs for the Region, coordinating involvement by states and cooperators; formulate budget requests; and approve survey funding proposals. Lastly, a national Cooperative Agricultural Pest Survey committee develops guidelines, budgets, and protocols for implementation; drafts a pest list for survey for exotic plant pests and weeds; and communicates the results to the state and regional committees. APHIS, after input from the National Plant Board, makes the final allocation of funding and staffing resources based on these factors and all other relevant information.

Mr. Bonilla: Will these be new hires or will they come from existing staff?

Response: We anticipate that there will be some of each.

Mr. Bonilla: How do you measure whether or not the agency's ability to detect pests becomes greater and more efficient?

Response: We examine several key performance indicators to determine the effectiveness of our pest detection efforts. These include the number of targeted (high risk) exotic plant pests detected, number of exotic plant pests (new to the U.S.) detected, number of high risk pest and disease pathways monitored, and number of significant (those that cause severe economic and environmental damage) pest introductions detected before they spread from the original area of colonization.

Mr. Bonilla: If the funds for pest detection were provided, would $500,000 go to Purdue University through a cooperative agreement to expand the NAPIS database?

Response: We have earmarked up to $500,000 for Purdue University through a cooperative agreement to expand the NAPIS database.

Mr. Bonilla:: How much is going to Purdue University in fiscal year 2002 for the NAPIS database?

Response: We estimate that $280,000 is going to Purdue University in fiscal year 2002 for the NAPIS database and web site.

Mr. Bonilla: Please provide a copy of the "worst of the worst" list talked about in your justification for the pest detection program.

Response: First, it is important to note that our lists of highest priority target pests ("worst of the worst") are revised and updated at least yearly, and may exclude some of the worst known exotic pests for several possible reasons. Possible reasons include lack of effective survey tools and methods, whether survey efforts are already being funded from another source (e.g., citrus canker or Asian Longhorned beetle), or lack of information on risk or pathways. The national lists are dynamic from year to year and are affected by level of funding for the program. We are now midway through the process of developing a national list of highest-priority pests ("worst of the worst") as national targets for early survey detection efforts for the remainder of FY 2002 through a multi-tiered process involving input from state committees, regional committees, the national Plant Board, and our own analysis. This will include input from groups such as the Entomological Society of America, American Pathological Society, Weed Science Society of

America, and the Society of Nematologists. Other information which we consider in developing a final list include port interception data, pest risk information, offshore information, and pathway analysis.

For FY 2002, our national list of highest priority pests for early survey detection efforts, subject to the above qualifications, is as follows:

Scientific name	Common name	Pest target
Autographa gamma	Silver Y moth	224 plant species
Trogoderma granarium	Khapra beetle	Grain products and seed
Spodoptera littoralis	Egyptian cottonworm	Polyphagous
Guignardia citricarpa	Citrus black spot	Citrus
Unaspis yanonensis	Arrowhead scale	Citrus
Curculio elephas	European chestnut weevil	Castanea sativa seed and fruit
Elsinoe australis	Sweet orange scab	Citrus
Spodoptera litura	Cotton leafworm	cotton
Helicoverpa armigera	Old World Bollworm	Flowers, stems, leaves of flowers
Cryptophlebia leucotreta	False codling moth	Solanum sp., Capsicum sp. Fruit, Citrus sp. Fruit, Litchi
Epiphyas postvittana	Lt. Brown apple moth	Fragaria sp (fruit); Malus domestica
Lobesia botrana	European grape vine moth	Vitis
Synchytrium endobiotricum	Potato wart	potatoes
Cydia funebrana	Plum fruit moth	plums
Parlatoria ziziphi	Black Parlatoria scale	citrus
Oryza sp. Red rice	Wild red rice	rice
Inula britannica	Elecampane	nursery
Globodera rostochiensis	Golden nematode	potatoes

Mr. Bonilla: Please provide a crosswalk table that shows all the proposed transfers from one APHIS line item to another.

Line Item	FY 2002	Transfers		Other Changes	FY 2003 Request
		Increase	Decrease		
Fruit Fly Exclusion & Detection	38,990	902	--	24,070	63,962
Pest Detection	7,174	--	-1,771	21,637	27,040
Emerging Plant Pests	46,649	869	--	83,516	131,034
Animal and Health Monitoring and Surveillance	74,921	--	-2,156	23,523	96,288
Emergency Management Systems	4,201	2,156	--	4,846	11,203

BOLL WEEVIL

Mr. Bonilla: How many acres does APHIS expect to have moved from the active phase to the post-eradication phase in fiscal year 2003 in the boll weevil program?

Response: From now through the end of calendar year 2002, we expect to move 2.5 million acres from the active to post-eradication phase. During calendar year 2003, we expect to move an additional 2.5 million acres to post-eradication.

Mr. Bonilla: How many acres are currently in the active phase of the program?

Response: Nearly 10 million acres are currently in the active phase.

Mr. Bonilla: How much has each of the cooperators in the boll weevil program -- States, cotton industry, and Mexico -- contributed to the eradication of this pest since its inception?

Response: Since the program's inception, States and the cotton industry have contributed approximately $727 million to boll weevil eradication. Unfortunately, we are unable to extract the amount of industry contributions from the amount of total State contributions, but most of those contributions were the result of assessments growers paid. Mexico contributed approximately $700,000 toward eradication efforts in northern Mexico just south of Arizona.

Mr. Bonilla: Have appropriated boll weevil funds been used to pay off loans through the boll weevil loan program?

Response: Yes, we have used appropriated funds to pay off loans.

BRUCELLOSIS

Mr. Bonilla: How many cattle herds are infected with brucellosis in Missouri? Texas?

Response: We are in the process of depopulating a last, newly affected herd in Missouri. There are no herds under quarantine for brucellosis in Texas.

Mr. Bonilla: How will the determination be made as to whether the agency will continue the brucellosis management program procedures for 5 to 10 years? What is the projected 5-year cost for the program? What is the projected 10-year cost for the program?

Response: Based on the experiences of other countries, we could expect to find newly affected herds for up to 2 years after we declare disease free status. We must continue to fund the management program throughout the 2 year period so that we may have depopulation funds to quickly dispose of newly affected herds. In addition, over the next 5 years, we expect to address the brucellosis infection in the bison and elk of the GYA. We also expect to continue the swine brucellosis program. The focus of the program will shift from domestic swine to the feral swine population. Over the next 5 years, we expect program costs to total $40 million. The program cost over the next 10 years is difficult to predict and would depend on many factors including the number of newly infected herds each year and the level of disease remaining in the nation's wildlife population.

BISON QUARANTINE FACILITY

Mr. Bonilla: Is APHIS currently operating a bison quarantine facility in Montana? What are the annual operational costs for this facility?

Response: Currently, APHIS is not operating a bison quarantine facility in Montana. There are, however, several bison capture facilities in the State including one in Horse Butte. APHIS provides approximately $750,000 each year to support the Horse Butte facility's operations.

CHRONIC WASTING DISEASE

Mr. Bonilla: What is the estimated value of lost exports as a result of the prohibition of cervids and cervid products placed by Korea and Japan?

Response: APHIS estimates the value of our export market for cervids and cervid products to Korea and Japan to be less than $1 million. While we are concerned with the loss of these exports markets, even on a temporary basis, we are more concerned with the potential loss of other livestock markets. While not scientifically proven, there have been some linkages made between chronic wasting disease and other transmissible spongiform encephalopathies--TSEs--such as bovine spongiform encephalopathy. The

concerns of U.S. trading partners and consumers about TSEs extend to all meat products, not just cervid products.

Mr. Bonilla: What is the current value of the farmed cervid industry in the United States?

Response: According to the North American Elk Breeders Association and the North American Deer Farmers Association, the value of the farmed elk and deer industry is $331 million.

Mr. Bonilla: Will APHIS be required to promulgate a rule for the chronic wasting disease program? If so, has a rule been drafted. How long after a rule is finalized can the program be up and running? Does the budget request for chronic wasting disease anticipate a start date of the program of October 1, 20002 or some other date?

Response: In February 2002, APHIS published regulations to provide for the payment of indemnities for the voluntary depopulation of captive cervid herds known to be infected with CWD. The payment of indemnity will encourage depopulation of infected herds, and therefore, will reduce risk of other cervids becoming infected with the disease. APHIS will draft regulations before implementing the certification portion of the program. Specifically, APHIS will need to draft regulations pertaining to interstate movements associated with the certification program. We expect regulations to be final by the end of FY 2003.

PLUM POX VIRUS

Mr. Bonilla: Will the funding for the plum pox virus that is proposed to be directed to highest risk States going to be allocated to those States or managed out of headquarters?

Response: The national survey funds to which you refer will be allocated to those States - particularly California, Maryland, Michigan, New Jersey, New York, and Texas - through cooperative agreements, based on commercial production in those States.

Mr. Bonilla: Was there any effect on consumer prices for stone fruit as a result of the plum pox outbreak in October 1999?

Response: No, there has been no significant effect on consumer prices.

Mr. Bonilla: How many acres remain infested with plum pox?

Response: To date, we have removed all known infected orchards.

SCRAPIE

Mr. Bonilla: How much of the increase for the scrapie program request is for salaries and benefits? How many staff years does APHIS currently have devoted to scrapie? How many veterinarians are assigned to the program? How many additional veterinarians would be hired if the funding request for scrapie was approved?

Response: Of the $22.6 million requested for the scrapie program in the FY 2003 President's budget, APHIS would use $7 million to support salaries and benefits. Currently, APHIS devotes 30 staff years to the annually funded scrapie program and 13 staff years to the emergency funded program. Of these staff years, 21 are veterinarians. Of the 21 veterinarians, 18 are permanent hires funded by the annual program and 3 are temporary hires funded by emergency funds. Based on past experiences, we have found it difficult to hire these positions on a temporary basis. Using regular appropriations, rather than the inherently temporary emergency funds, will allow APHIS to hire veterinarians on a permanent basis.

ANIMAL WELFARE

Mr. Bonilla: How many additional inspectors have been hired in fiscal year 2002 to enforce the Animal Welfare Act?

Response: As of March 24, 2002, we have brought on 10 new inspectors.

Mr. Bonilla: Where are they located?

Response: The locations are as follows: Albany, New York; Washington, DC; Atlanta, Georgia; Fort Pierce, Florida; Grand Rapids, Michigan; Rockford, Illinois; St. Louis, Missouri; Joplin, Missouri; Bozeman, Montana; and Mount Pleasant, Texas.

Mr. Bonilla: Does the agency expect to hire additional inspectors before the end of the fiscal year? If so, how many?

Response: Yes, we plan to hire seven additional inspectors before the end of Fiscal Year 2002.

Mr. Bonilla: Where will these inspectors be located?

Response: The locations are as follows: Charleston, West Virginia; San Juan, Puerto Rico; Bakersfield, California; Santa Cruz, California; Colorado Springs, Colorado; Philadelphia, Pennsylvania; and northern Indiana (exact location to be determined upon selection).

Mr. Bonilla: How many vehicles do you expect to replace?

Response: We plan on replacing 10 to 12 vehicles in our current fleet.

Mr. Bonilla: Have you replaced any vehicles in fiscal year 2002?

Response: Yes, we have ordered 8 replacement vehicles to date in Fiscal Year 2002.

GOLDEN NEMATODE

Mr. Bonilla: Can you tell the Committee what kind of equipment was replaced at the Westhampton, New York facility for golden nematode, and how much was spent replacing this equipment?

Response: We spent $97,599 for equipment replacement and facility repairs at the Westhampton, New York facility this year. A breakdown of these expenditures follows:

Heating and air conditioning unit	$11,238
Doors, windows, and repairs to two buildings	12,975
Welding equipment and fire extinguishers	725
Perimeter fence	9,100
Electrical system repairs	700
Exterior painting, repairs planned for spring 2002	10,000
Landscape maintenance	2,130
Security lighting (estimate)	5,000
Dual wheel pickup truck	20,000
Pressure washer	4,281
Equipment trailer	3,450
Tractor (soil sampling)	18,000
Total	$97,599

Mr. Bonilla: What is the RO2 strain of golden nematode, and how was it discovered?

Response: The RO2 strain of golden nematode is a second pathotype or race of *Globodera rostochiensis*. APHIS discovered it in 1994 in a Long Island potato field soil survey. We observed that potato varieties resistant to the golden nematode RO1 race were not effectively controlling the nematode on this field. ARS Nematologist Dr. B.B. Brodie examined cysts collected from this field, and subsequently identified them as being the RO2 race.

Mr. Bonilla: How much of the golden nematode program is paid for with Federal funds, and how much is the State spending?

Response: Federal funds account for approximately 85 percent of the program's cost, while the State contributes about 15 percent. For fiscal year 2002, APHIS is contributing $685,000, while the State will provide $125,000.

GRASSHOPPER

Mr. Bonilla: How many staff would the agency hire if the grasshopper program were approved and where would they be located?

Response: We would hire at least one Plant Protection and Quarantine officer in 17 Western States--Arizona, California, Colorado, Idaho, Kansas, Montana, North Dakota, Nebraska, New Mexico, Nevada, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming--and the equivalent of 15 staff years of seasonal technicians in those States to conduct program activities.

Mr. Bonilla: How do you implement a program to better predict grasshopper infestations?

Response: To better predict grasshopper infestations, we must use a holistic approach that considers all the many factors that determine whether rangeland grasshopper infestations will reach economically damaging levels. These include weather--especially in the spring, range conditions, and the number of grasshoppers that hatch in the spring and then lay eggs later that summer that will hatch the following year. Our main program objective for FY 2002 is to conduct accurate surveys of both nymphal grasshoppers in the spring and adult grasshoppers in the summer/fall seasons. The information from these surveys will help predict where the grasshopper populations are building to high levels and may require treatment.

Mr. Bonilla: What environmental documentation for the grasshopper program is required to be completed?

Response: The National Environmental Policy Act requires that APHIS prepare a programmatic Environmental Impact Statement--EIS. We expect to publish the final grasshopper EIS in April 2002. Once that process is completed, site-specific environmental assessments will be required for all programs. In addition, APHIS must prepare a biological assessment--BA--in accordance with the provisions of the Endangered Species Act, to determine whether a proposed action is likely to adversely affect listed species, proposed species, or designated critical habitat.

NOXIOUS WEEDS

Mr. Bonilla: Please tell the Committee what program successes you have had in the noxious weed program.

Response: APHIS cooperated with Federal, State, and private organizations to detect and rapidly respond to several incipient infestations of invasive plants in FY 2001, including follow-up survey responding to FY 2000 detections of branched broomrape--Orobanche ramosa--in Texas, and small broomrape--Orobanche minor--in Oregon cloverseed production. We assisted Oregon with survey and eradication program design activities using $401,655 from our contingency fund. APHIS or our cooperators identified detections of giant salvinia--GS--in Arizona, California, Louisiana, North Carolina, and Texas. We performed additional survey for GS in the aquatic trade in both the

Eastern and Western regions. The Georgia Department of Natural Resources reported that both infestations of GS identified in FY 1999 have been successfully eradicated. We continued monitoring activities in cooperation with the National Park Service of an infestation of GS found in FY 2000 in a Washington, DC, aquatic garden. We also continued follow-up with the aquatic nursery identified as the possible source of the infestation. On July 24, 2001, APHIS published a draft environmental assessment to analyze the impact of a proposed GS control/eradication program in the lower Sabine River basin of Texas and Louisiana. Program cooperators include the Agricultural Research Service, Fish and Wildlife Service, Louisiana Department of Wildlife and Fisheries, Texas Parks and Wildlife Department, and others.

We helped develop work plans for integrated control and/or eradication programs for several of the new weed finds, including giant hogweed, goatsrue, *Salsola vermiculata*, and onionweed. We worked with six southern States--Georgia, Alabama, Mississippi, Tennessee, South Carolina, and North Carolina--to do more aggressive Tropical Soda Apple survey. We also funded giant hogweed survey in Pennsylvania, where the State has aggressively surveyed for this weed and has conducted research into chemical and cultural control methods. We assisted with survey for goatsrue in Pennsylvania, and helped the State of New York respond to a goatsrue infestation in the Buffalo area. We continued to cooperate with researchers at Mississippi State University in their demonstration project for kudzu in northeastern Mississippi. The goal of the program is to establish a cooperative program to assist landowners in eliminating kudzu from their properties. We signed a Memorandum of Understanding with the New Jersey Department of Agriculture to develop High Performance Liquid Chromatography for weed seed identification.

PINK BOLLWORM

Mr. Bonilla: Please tell the Committee what program successes and efficiencies have allowed the agency to reduce the fiscal year 2003 level for pink bollworm.

Response: In FY 2001, our cooperative pink bollworm--PBW--sterile release program continued to protect cotton in the San Joaquin Valley of California. We found no new infestations outside the regulated area. We also continued to improve our rearing efficiency and maintained production using less diet material, thereby reducing cost.

CITRUS CANKER

Mr. Bonilla: Does APHIS have the authority to compensate for losses as a result of citrus canker in Florida?

Response: APHIS does not have direct, standing authority to compensate for losses in the citrus canker or any other plant pest or disease programs. Section 7771 of the U.S. Code's Title 7 specifically precludes the Secretary from paying compensation for property injured or destroyed under plant pest and disease programs. However, APHIS has paid compensation in such programs, the Secretary may declare an extraordinary emergency for plant pests or diseases and 7 U.S.C. 7715(e) authorizes the Secretary to pay compensation in such cases.

Mr. Bonilla: If not, what legislation would be required to authorize the agency to compensate for losses due to citrus canker?

Response: The Secretary has authority to compensate producer through declaration of an extraordinary emergency.

Mr. Bonilla: Has the agency ever submitted legislation for this authority?

Response: APHIS has not submitted legislation seeking compensation authority.

Mr. Bonilla: Does the agency have the authority to make indemnity payments in their disease eradication programs?

Response: APHIS has authority to make indemnity payments in animal disease eradication programs. The authority for indemnity payments in ongoing eradication and control programs is in 21 U.S.C. 114a.

Mr. Bonilla: What is the difference between an indemnity and compensation for losses due to citrus canker?

Response: The statutory authorities use the term "compensation." This is the preferred term because some may interpret "indemnity" to imply a legally enforceable duty on the part of the Federal Government to owners of citrus destroyed as part of the program rather than a discretionary decision by the Federal Government.

Mr. Bonilla: Please provide for the record the legal authority that APHIS has to make indemnity payments.

Response: APHIS does not have direct, standing authority to compensate for losses in the citrus canker or any other plant pest or disease programs. Section 7771 of the U.S. Code's Title 7 specifically precludes the Secretary from paying compensation for property injured or destroyed under plant pest and disease programs. However, APHIS has paid compensation in such programs, the Secretary may declare an extraordinary emergency for plant pests or diseases and 7 U.S.C. 7715(e) authorizes the Secretary to pay compensation in such cases.

BOLL WEEVIL

Mr. Bonilla: Please provide the latest information on the boll weevil program.

Response: The cooperative boll weevil eradication program (BWEP) has been highly successful in reducing and ultimately eliminating losses caused by the boll weevil. Of the almost 16 million acres of U.S. cotton, the BWEP has eradicated boll weevil from 5.9 million acres since eradication activities began in 1983. As a result, we and our cooperators are very encouraged with the program's progress. The 5.9 million acres are in the program's post-eradication phase, while nearly 10 million acres are in the active phase, and less than 1 million acres are expected to join the BWEP within the next few years. We project to eradicate boll weevil from all cotton growing areas of the U.S. and northern Mexico by 2005, in cooperation with States, the cotton industry, and Mexico.

Animal and Plant Health Inspection Service

Questions Submitted by Ms. Kaptur

Ms. Kaptur: I am tremendously supportive of your mission and appreciate your reference to the four levels of defense of international activities, border exclusion, domestic monitoring, and control and eradication. Could you provide for us what portion of APHIS's time and resources are devoted to each of these four items?

Response: Below is a breakout of APHIS' financial and personnel resources by category for Fiscal Year--FY--2001, FY 2002, and FY 2003.

Category	2001 Actual		FY 2002 Estimated		FY 2003 Request	
	SY's	Amount	SY's	Amount	SY's	Amount
International Activities	461	$76,813,327	472	$92,473,000	524	$122,042,000
Border Exclusion	3,083	$140,691,560	3,616	$152,323,000	4,122	$358,015,000
Domestic Monitoring	859	$95,998,733	824	$94,850,000	1,026	$143,380,000
Control and Eradication	774	$202,362,676	1,140	235,355,000	1,226	336,389,000
Other 1/	810	$80,533,657	824	$86,853,000	908	$97,401,000
Total	5,987	$605,136,000	6,876	$661,854,000	7,806	$782,227,000

1/ Other includes Scientific and Technical Services, Animal Care, Contingency Fund activities and an unobligated balance from FY 2001.

Note: All amounts reflect General Services Administration Rent and increased imputed retirement/health pension benefits.

Ms. Kaptur: While the conference on the Farm Bill is not complete, Secretary Veneman has said that she has the agencies of the Department working on how to implement the bill as quickly as possible once it is completed. Looking at the House and Senate versions of the bill, how do you believe the operations of your Agency will be changed?

Response: The following provisions in the conference Farm Bill will have an implication on APHIS' operations:

Provision:	Biotechnology and Agricultural Trade Program
Cite:	Title III, Subtitle C - Miscellaneous, Section 3204
	Requires the Secretary to establish a biotechnology and agricultural trade program to resolve nontarriff barriers to U.S. exports through quick response intervention, including SPS and disease issues and protocols as part of bilaterals.
Operational Implications:	APHIS devotes resources toward resolving nontariff barriers to U.S. exports including SPS and disease

	issues, and protocols at the current funding level. Our biotechnology and agricultural trade program activities would increase with additional funds.
Provision:	Technical Assistance for Specialty Crops
Cite:	Title III, Subtitle C - Miscellaneous, Section 3205
	Requires the Secretary to establish an export assistance program for specialty crops to resolve SPS and SPS-related trade barriers through public and private sector projects and technical assistance.
Operational Implications:	APHIS supports additional funding allocated to the Foreign Agricultural Service to administer the Technical Assistance for Specialty Crops—TASC--designed to remove, resolve and/or mitigate phytosanitary and technical trade barriers. APHIS responds to SPS issues involving specialty crops and may require additional resources for TASC related initiatives.
Provision:	Veterinary training
Cite:	Title X, Section 10504
	Gives Secretary discretionary authority to establish a program to maintain a sufficient number of Federal and State veterinarians who are will trained in recognition and diagnosis of exotic and endemic animal diseases.
Operational Implications:	For FY 2001, APHIS spent about $300,000 to conduct training sessions on foreign animal disease awareness. For FY 2002, APHIS expects to spend close to $800,000. Of this amount, $500,000 was provided in the FY 2002 Homeland Security Supplemental. At the present level of training, we expect to spend a similar amount in FY 2003. However, expanding the training effort to include endemic diseases, as well as, state veterinarians will require additional funding.

Provision:	Definition of Animal under the Animal Welfare Act.
Cite:	Title X Section 10301
	Excludes rats, mice, and birds from the definition of animal under the AWA.
Operational Implications:	The impact is unclear. It appears that the wording of the provision is slightly different than our regulations, in that the sentence structure was rearranged to add a comma that makes it appear to read that only rats, mice, and birds used in research are excluded. If this is really true, then APHIS could find itself regulating rats, mice, and birds that are on exhibit and being sold, including birds sold commercially in pet stores. This latter scenario would

have some minor impact on APHIS for FY 2003 in terms of activities relating to developing proposed regulations and offering them for public comment. Under this scenario, there would likely be a major budgetary impact on the Agency in future years.

Ms. Kaptur: How would these provisions impact you in FY 2003?

Response: Title X Miscellaneous, Subtitle I, General Provisions, Section 10811 includes language that requires APHIS to conduct preclearance on interline flights in Hawaii, only if funding is provided in the FY 2003 Appropriations Act. Our FY 2003 lacks funds for these inspections. However, the FY 2002 Appropriations Act did provide $1.3 million for predeparture activities in Hawaii. Senate language directs APHIS provide no less than the FY 2001 level of funding for sufficient staff-year equivalents of AQI inspectors operating funds and inspection equipment at Hawaii's direct departure and interline airports. With this funding, APHIS is adding 13 additional inspection positions which will allow us to increase efficiency with our inspections. Since the $1.3 million is now part of the base, APHIS will continue to conduct the same level of predeparture activity in Hawaii for FY 2003.

Title X, Subtitle F - Livestock, Section 10505 extends the pseudorabies eradication program to 2007. This provision simply extends the eradication program. It does not impact our current management program. We have included sufficient funds in the FY 2003 President's Budget for this program.

Ms. Kaptur: After completion, would you submit a budget amendment to reflect the Farm Bill's impact on your FY '03 operations?

Response: APHIS has not yet determined what actions will be taken.

Ms. Kaptur: As we move this Medfly barrier further away from the United States, are we paying the full cost of the maintenance of this barrier, or are the other countries involved also paying some of the expenses?

Response: Through the cooperative program, APHIS, Mexico, and Guatemala contribute to the eradication and control of Medfly. Mexico pays approximately $14 million per year, and Guatemala has contributed approximately $300,000 each year since the beginning of the Medfly emergency effort in FY 1999. Both of these Countries reap benefits of the control program, but the United States has the most to lose in agricultural markets should Medfly establish itself here.

Ms. Kaptur: Can you provide similar information for other pests and diseases that we are attempting to control outside of our own borders?

Response: All APHIS eradication programs overseas are funded, in part, by other countries. We work through cooperative agreements on the screwworm, tropical bont tick, foot-and-mouth disease--FMD, and classical swine fever programs. In FY 2001, Mexico contributed $1.6 million to the screwworm program, and Nicaragua, Costa Rica, and Panama made additional contributions. Likewise, APHIS is contributing a fraction of the budget for the tropical bont tick eradication program in the Caribbean that the Food and Agriculture Organization of the UN administers. The European Union is the largest donor, along with the Caribbean nations where the program is conducted. For the FMD control program in South America, Colombia contributes along with other neighboring countries and the Pan American Health Organization. APHIS has

spent approximately $6 million thus far to prevent classical swine fever from getting to the U.S. from the Island of Hispaniola. This includes our contribution to the eradication effort there as well as increased inspections and domestic monitoring and surveillance. The Dominican Republic has contributed approximately $3.5 million and will continue to fund that effort.

Ms. Kaptur: To the extent that APHIS has attaches in other countries working on pest and disease threats before they enter the United States, can you tell us how many personnel you have and where they are located?

Response: The following chart illustrates the countries and number of personnel where APHIS currently carries out programs. The personnel may focus more on trade, on pre-clearance of commodities or passengers, while some work exclusively with a single pest or disease.

Country	U.S. Personnel
Argentina	1
Bolivia	1
Brazil	2
Chile	2
Colombia	1
Australia	1
China	1
Japan	2
Korea	1
Austria	2
Belgium	2
France	1
Germany	1
Netherlands	1
South Africa	1
Canada	4
Costa Rica	2
Guatemala	5
Mexico	16
Panama	6
Dominican Republic	3
Haiti	1
Jamaica	2
Bahamas	2
Bermuda	1
Aruba	1

Ms. Kaptur: What have been the most significant accomplishments in the past year and over the past three years?

Response: In the past year, the Joint APHIS-Panama Commission for the Eradication of Screwworm declared most of Panama free of screwworm. We will soon establish a screwworm barrier there that will be the most effective way possible to prevent an outbreak in the United States. APHIS also has declared several Islands in the Caribbean provisionally free of tropical bont tick. The FAO-led program is preparing for the final years of the eradication effort and has proven its methodology of working with the local producers.

Over the past 3 years, APHIS' cooperative program with Mexico and Guatemala has successfully reduced the Medfly emergency in Mexico. We have

controlled many of the immediate outbreaks in Mexico and have begun to move the pest southward through Guatemala. Without these control efforts which began in 1998, United States agriculture would be at greater risk of losses from Medfly. Another significant, ongoing accomplishment is preventing the spread of FMD through Central America where it could be transmitted to North America. While North America has been free of the disease since Mexico eradicated it in the 1950s, the increase in international movement of people and goods has made that goal increasingly difficult. The evidence is in the number of outbreaks around the world in the past 3 years, including Europe last year.

Ms. Kaptur: Are there any pending matters of special concern?

Response: There are still pests and diseases that need more attention to reduce their risk to U.S. agriculture. The classical swine fever outbreak in the Dominican Republic and Haiti is a constant concern for APHIS and the pork industry. They could face billions of dollars in losses to their exports alone if the disease were detected anywhere in the United States. Another concern for the U.S. is the tropical bont tick, which has now been detected in the U.S. Virgin Islands. The presence of the pest, which carries heartwater to cattle, in other Islands of the Caribbean puts pressure on US territories, as well as Florida and other southern States.

The existence of FMD in South America is a major threat to the United States. Migrating cattle always have the potential of bringing the highly contagious disease to the U.S. Losses could reach into the billions of dollars from an outbreak on the scale of the United Kingdom outbreak in 2001, severely affecting not only the cattle and other animal product industries, but also complementary sectors of the economy.

Ms. Kaptur: As you describe having personnel that work to be sure the American animal and animal products meet the health and welfare requirements of the recipient countries, can you tell us which countries they are, what those standards might be, and how they differ from our own standards?

Response: We work to ensure that our products meet the requirements of any country in the world to which our American farmers and ranchers seek to export. APHIS works with foreign animal health officials to develop protocols that specify the conditions for certifying and testing animals and animal products designated for export. We also work closely with exporters, breeders, and private veterinary practitioners to qualify animals and animal products for export. In the Agency's Center for Epidemiology and Animal Health in Fort Collins, Colorado, APHIS maintains a database called the International Regulation Retrieval System that lists the animal health requirements of other countries. Both exporters and veterinarians can access this retrieval system free of charge if they have the necessary computer equipment. The database includes the standards of over 200 countries. These standards vary greatly from country to country and commodity to commodity. Overall, they are fairly similar to the United States' import standards.

Ms. Kaptur: Your testimony includes a fascinating point. You say that you observed the importation of 7.8 million animals and 10.6 poultry. At the same time you provided certificates for the exportation of 752,000 head of livestock. You also saw the importation of 2.5 million doses of semen and 1,221 embryos, while we exported 60.4 million doses of semen and 15,246 bovine embryos. That tells me we are importing product and exporting genetic material, which is like an American industry exporting designs and importing finished goods. By exporting such a high volume of genetic material, aren't

we giving away our most precious resources and enabling our competitors to provide the same product on world markets that we do? American quality is no longer American if everyone else can produce the same thing.

Response: A key to the financial success of American Agriculture is to identify the international markets for our products and to vigorously seek to fill the demand. There simply is a greater demand for U.S. animal semen and embryos then there is for live animals. APHIS supports American Agriculture by facilitating the exports our producers can successfully market. While we may be exporting today's semen and embryos, American ingenuity and technology is usually at least one step ahead of our competitors and it is likely that American Agriculture will maintain its edge with a unique American product.

Ms. Kaptur: Last year you seized 314,641 prohibited animal products and byproducts. Please tell us where they came from, how many ultimate destinations there may have been, what happened to the seized material, and whether or not any other enforcement activities took place as a result?

Response: In FY 2001, we intercepted 934,417 meat and poultry products and 20,428 animal byproducts. These products came primarily from Korea, China, and Japan. They were destined for numerous locations throughout the United States. We destroyed all of the seized material, mostly by burning. As a result of these seizures, we identified 13 violations. In some cases, these violators are subject to criminal penalties.

Ms. Kaptur: With respect to the confiscation of over 3,000 pounds of exotic fruits, herbs, and meats at three western New York crossings, can you tell us where those products came from, how many ultimate destinations there may have been, what happened to the seized material, and whether or not any other enforcement activities took place as a result?

Response: This confiscation occurred during one of many blitzes - or intensified inspections - that our Smuggling Interdiction and Trade Compliance (SITC) program and port inspectors conduct each year of cargo, passenger vehicles, mail packages, or baggage at entry ports across the country. While the smuggling attempts occurred across the Canada/US border, the products most likely did not originate in Canada. Given the types of products, they may have come from Asia. The ultimate destinations could have been anywhere in the US, including southern, fruit producing states that would have been harmed by the illegal products. APHIS destroyed the confiscated material and issued civil penalties.

Ms. Kaptur: Were any of these products contaminated?

Response: No, but some of the products had insect pests that could have harmed US agriculture.

Ms. Kaptur: What interaction did you have with Canadian authorities after these incidents to see whether or not they could take any action to reduce the risk of these products coming into the United States?

Response: After these incidents, we met frequently with the Canadian Food Inspection Agency (CFIA) to discuss our smuggling interdiction program and our cooperative efforts with the CFIA. In March, we, the U.S. Customs Service, and the CFIA formed a working group to plan for joint smuggling interdiction activities designed to reduce the risk of these products entering the country.

Ms. Kaptur: Many Americans as well as visitors to the United States may not know what is really allowed for entry. What programs have you undertaken to improve the communication of these limitations so that you might see a decrease in products that have to be seized?

Response: We use many methods to distribute information to travelers about prohibited products and agricultural quarantine topics. We post travelers' information on our website and on several travel organization sites such as the American Society for Travel Agents. Also, we send mailings to travel agencies and key travel trade organizations and place advertisements in in-flight magazines. As an example, last year we had an ad covering foot-and-mouth disease. We distribute numerous outreach materials with our "Don't Pack A Pest" theme on items such as luggage tags, airline ticket counter signs, magnets, and stickers to all port offices for local and regional events. In addition, we provide audio and video announcements for use in airport terminals. For example, O'Hare airport played an announcement every few minutes last spring and summer about declaring agricultural products. Also, we regularly ask airlines to show our videos or to distribute materials. Our posters and displays are located in many international airports.

Ms. Kaptur: With respect to the stray and smuggled animals from Mexico, were you ever able to assign any responsibility to any individuals or groups for these animals or take any other action?

Response: When horse mounted patrol officers capture these animals, they are taken to Federal operated pens for 2 weeks for testing, cleaning, and disinfecting. An owner may claim a stray animal at the end of the 2 weeks after paying for the costs of maintaining the animal. Unclaimed stray animals are sold at the market for slaughter.

APHIS captured smuggled animals are also taken to Federal operated pens following the same procedures for stray animals. If a smuggler is identified, which is very rare, we turn the case over to Customs. Customs may or may not follow up and take action against the smuggler. If the smuggler is not a U.S. citizen, the animals are confiscated, held in the pens for 2 weeks, and sold at market for slaughter.

Ms. Kaptur: What interaction did you have with the Mexican government to reduce the risk of such incidents happening again?

Response: Mexico has agreed to a new initiative which includes plans to provide technical advice to local farmers on management of tick populations on their livestock and in the environment. The approach is to reduce the tick populations on livestock and ruminant wildlife in Mexico to reduce the incidence of tick-infested stray animals entering the U.S.

Ms. Kaptur: Could you more fully describe the partnerships you have with producer groups, state governments, university researchers and other federal agencies under the Animal Health Monitoring and Surveillance effort?

Response: Animal disease surveillance and monitoring in the United States is a shared responsibility of the Federal, State governments, producers groups, and producers. This partnership is essential for safeguarding the health and well being of our Nation's livestock and poultry populations. Through the Agency's animal health monitoring and surveillance program, APHIS works with these groups to collect, interpret, and disseminate

information on animal health and productivity; to monitor foreign animal health and maintain an intensive surveillance system aimed at rapidly detecting and diagnosing foreign animal diseases within the United States; and to conduct surveillance of selected diseases of cattle, swine, poultry, sheep, and other livestock, for which we have eradication programs. In addition, APHIS provides training to Federal and State veterinarians, diagnosticians, animal health technicians, epidemiologists, port veterinarians, and foreign veterinary medical officers on foreign animal disease diagnosis and identification. Within this program, APHIS also funds a number of ongoing projects with states, universities, and producer groups including the National Farm Animal Identification and Records project with the Holstein Association; a study to determine the impact on animal health from agricultural chemical use with Murray State University, and a biosecurity outreach program at the College of Vermont.

Ms. Kaptur: Have you given any consideration to the regional prepositioning of animal disease medications and linking groups of veterinarians as had been suggested by the State of North Carolina last year?

Response: We continue to enhance our emergency preparedness, including stockpiling material for emergency situations. Pre-positioning stockpiles of resources improves preparedness by reducing response time. USDA has in stock supplies to respond to certain foreign animal disease--FAD--incursions, for ex.--FAD, disinfectants, protective equipment such as coveralls and boots, and other equipment.

Because of the nature of particular animal diseases, stockpiling medicines is not always possible. For example, the majority of animal diseases are viral in nature and would not respond to antibiotic therapy. APHIS has long recognized the need to stockpile vaccines for animal diseases. APHIS has been participating since the early 1980s with Canada and Mexico in the North American FMD Vaccine Bank, which stockpiles selected FMD antigen concentrates in an almost finished form. APHIS maintains a contract with a commercial vaccine company to have antigens finished into ready-to-use vaccines, which can be delivered in as little as 3 days upon notification of an outbreak. There is no universal vaccine against FMD, a disease that has seven different types and more than 60 subtypes. Vaccines for FMD must match the type and subtype present in the affected area, so it is not practicable to store vaccines in a finished form.

Our FY 2003 budget request includes funds for stockpiling vaccines for the 10 animal or zoonotic diseases that we have determined would have the greatest likelihood for both accidental or deliberate introduction and the greatest potential impact on United States livestock. Additionally, it includes funds to enhance the currently very limited comprehensive disinfectant testing program and to create a disinfectant stockpile that is effective against the ten animal or zoonotic diseases.

APHIS monitors foreign animal health and maintains an intensive system aimed at rapidly detecting and diagnosing FAD outbreaks in the U.S. This system includes an extensive network of Federal, State, and private specialists.

Ms. Kaptur: You said that you tested 2,756 samples from live-bird markets in the Northeastern United States for avian influenza, and isolated it in 419 of the samples. That's about a 14% positive test rate. How do you interpret these numbers? Is this something that we should be concerned about?

Response: Yes, we are concerned. Over the last several years, approximately 30 percent of the markets have tested positive, meaning one or more of the pooled samples taken isolated an influenza virus. The results from last fall's study showed higher levels--positive levels of almost 60 percent--then in the past, causing even more concern. However, APHIS is working with State and local officials and industry to address the problem. We are currently conducting epidemiological studies, education campaigns and market closures for cleaning and disinfection.

Ms. Kaptur: While you say that you doubled the number of brain samples tested for BSE last year, what portion of animal herds are being tested?

Response: We sample two-hundredths of one percent of all adult cattle. Our surveillance effort however, focuses on testing high-risk cattle such as animals exhibiting signs of neurologic disease; animals condemned at slaughter for neurologic reasons and nonambulatory animals, commonly referred to as "downer cattle." Recently, we have begun to test cattle which have died on the farm. We believe this approach better targets our testing efforts to demonstrate our BSE free status.

Ms. Kaptur: What is your basis for believing that this is a sufficient sample? You correctly point out the concerns for consumer confidence. We need to be able to demonstrate that sufficient testing is being done.

Response: We applied state of the art science to determine the appropriate level. The Office of International Epizootics established guidelines for the United States to test at least 433 samples per year. We determined that 12,500 samples of the highest-risk cattle in the United States would provide a higher confidence level. While sampling at this level will not prove that BSE does not occur at a lower prevalence level, it should allow detection of BSE should it exist at a level of one or more cases per million in the adult cattle population.

Ms. Kaptur: Can you tell us how $7 million grants to states programs for surveillance will work?

Response: We are still in the process of determining the procedures for the state grants program.

Ms. Kaptur: Are states required to provide any matching funds? I have seen examples in my own state of Ohio that demonstrate sometimes states can take an inordinately long period of time to develop required matches for federal programs.

Response: We are still in the process of determining the procedures for the state grants program.

Ms. Kaptur: What is the Khapra beetle?

Response: The Khapra beetle (KB) is one of the world's most destructive pests of grain products and seeds. Populations build rapidly under hot, dry conditions, but can survive in colder climates in heated situations such as warehouses, food plants, and grain storages. Because this beetle cannot fly, it is spread mainly by commerce and trade. If left uncontrolled, it can make the surface of a grain bin appear to come alive with millions of larvae eating their way down to the bottom. This species

not only consumes grain, but also contaminates it with body parts and setae which cause human adult and especially infant gastrointestinal irritation.

KB was first identified in the U.S. in 1953 in two warehouses containing stored wheat and barley in California. Subsequent surveys in grain warehouses revealed additional infestations in Arizona, California, and New Mexico. APHIS eradicated these infestations by 1966. From 1978 to 1983, KB infestations were detected in food processing facilities, bagging, wooden crates, and other protected facilities in isolated locations in California, Maryland, Michigan, New Jersey, New York, Pennsylvania, and Texas. We eradicated all of these infestations. Most recently, a KB infestation was detected in 1997 in a spice processing warehouse in Owings Mills, Maryland. To contain and eliminate this infestation, we fumigated all shipments leaving the facility, sprayed the facility with malathion, vacuumed all surfaces to remove dust and insects, sealed surfaces with latex paint, and decontaminated and replaced the spice processing equipment. We have eradicated all known infestations of this Federal quarantine pest, but it could do significant harm—such as infesting grain houses and warehouses—if allowed to become established again. KB infestations affect grain quality as well as quantity. Even though we have eradicated all known Khapra beetle infestations, the high potential for its spread through international trade makes it a continued threat to the United States.

Ms. Kaptur: Where does it come from, and what are we doing to guard against its entry?

Response: The Khapra beetle is native to India, but has spread to other countries in Asia, Africa, Europe, and North America. To guard against its entry, we inspect and fumigate all products exported from countries where KB is known to exist. We have intercepted KB on over 75 hosts at our entry ports, over half of these in seeds. Other cargo types in which we have found KB include bagging, plant materials, fruit, and foodstuffs. Consequently, we particularly scrutinize these items because they are known be KB pathways. We require travelers that are transporting these items to obtain permits before entering the country.

Ms. Kaptur: Do we import products from the areas where this beetle is found?

Response: Yes we do, but we fumigate these products at our entry ports.

Ms. Kaptur: Please provide a more thorough description of what efforts you are undertaking to control raccoon rabies. In your response, please tell us what are the new areas in which raccoon rabies are being found, in which areas has it been eradicated, and what more we can do to control the problem? I know your work in Ohio has been greatly appreciated.

Response: Largely as a result of Oral Rabies Vaccine (ORV) program conducted to date in Ohio, raccoon rabies has not spread to the west. Ohio has had only 1 raccoon rabies case since June 1999, and that case was on the Pennsylvania border. There is, however, a growing concern regarding the westerly movement of raccoon rabies in Alabama. APHIS participated in enhanced surveillance during 2001 in Alabama and will continue to do so again in 2002 to delineate zones for future ORV treatment in 2003.

APHIS will continue to cooperate with Ohio, West Virginia, Pennsylvania, Virginia, New York, New Hampshire, Vermont, Alabama and Florida to complete the vaccination barrier to prevent raccoon rabies from spreading

to new areas west and north of the current distribution of rabies (from Alabama to Maine, west to the Ohio border). We project phase one completion in 2003/2004. APHIS will begin to work more aggressively on phase two--raccoon rabies elimination this year by expanding the vaccination eastward into Pennsylvania and northern West Virginia, where raccoon rabies has been present for several years. This step will allow for the evaluation of a collapsing eastward barrier as an elimination strategy for raccoon rabies.

Once raccoon rabies is fully contained, APHIS will evaluate needs for research, surveillance and treatment of large areas where raccoon rabies has bee enzootic. APHIS and cooperators will fully evaluate those needs during 2002.

Ms. Kaptur: Tell us more about your efforts to get international authorities to accept common data requirements for biotechnology products. What is the time line for the completion of this effort?

Response: APHIS' work on standards, guidelines, and recommendations for evaluating plant pest risk is accomplished through the International Plant Protection Convention. We just recently initiated efforts which will require several years to complete. Other efforts to evaluate the safety of foods derived from the products of modern biotechnology have been underway in the Codex Alimentarius. The guideline should be adopted in 2003.

Ms. Kaptur: Do you already have the authority you need for this effort, or will your final agreement require some kind of implementing legislation?

Response: We are too early into the process to determine whether we would need implementing legislation. We are, however, planning to continue a leadership role in the development of any international standard-setting efforts. This would entail our reaching an agreement that would be compatible with our existing systems.

Ms. Kaptur: As you may know, I was able to visit the Ames facility last year before we became as concerned as we have been about biological attacks. I supported providing increased funds for the construction of a new lab, and have heard Mr. Dewhurst say that no further funds are needed at this time. Can you update as to the work schedule for the new facility, and what has been the workload this year?

Response: The estimated cost for planning, designing, and constructing the new consolidated animal diseases facilities in Ames, Iowa, is $430 million. USDA received $49 million in FY 2001 and FY 2002 appropriations for planning and designing the facilities. The FY 2003 Department of Defense appropriation--Homeland Security Supplemental--provided an additional $50 million to construct the biosafety level 3-agriculture large animal biocontainment facility. The remaining is $331 million animal testing facilities, the balance of the laboratory building, and support and services facilities.

Presently, USDA is preparing the environmental documentation for the modernization plan and has already initiated the process for selecting architect-engineering and construction management firms. We have begun the pre-design activities for the BSL-3 Ag large animal facilities and the associated central plant and infrastructure needs. We will implement fast track initiatives to begin construction in late FY 2003. We will begin the planning and design for the remaining facilities in late FY 2002.

Ms. Kaptur: What steps have been taken to provide appropriate resources for the additional testing demands?

Response: In the FY 2003 President's Budget, we have requested funds for increased foreign animal disease testing at the Agency's Foreign Animal Disease Diagnostic Laboratory. With the increased funds, we would expect to increase FMD samples tested by more than 200 percent. To conduct this testing, APHIS would hire 10 microbiologist and 10 biological science technicians. In addition, APHIS has requested funds to increase testing of domestic diseases and reagent production at the Agency's National Veterinary Services Laboratories in Ames, Iowa.

In addition, APHIS is partnering with USDA's Cooperative State Research, Education, and Extension Service to plan the establishment of a comprehensive, coordinated, and modern network of State laboratories to address emerging biological and chemical threats to animal and plant agriculture.

Ms. Kaptur: As you may recall, the issue of non-lethal control of predators is a frequent target for potential amendments to this bill. Congressman DeFazio of California has had a special concern for this issue. What have you done to expand your non-lethal control program, including what actions you have taken to respond to concerns voiced by the Humane Society of the United States?

Response: National Wildlife Research Center is developing and testing several promising new non-lethal predator control methods, such as surgical sterilization to reduce depredation associated with animals provisioning their young; animal activated frightening devices that inhibit movement of predators into areas with vulnerable livestock; and several capture devices that could reduce reliance on padded foothold traps, including non-injurious foot snares. We are investigating attractant systems, including visual, sound, and odor applications, necessary to support field use of these methods. We make all research results accessible to the public via the APHIS and Wildlife Services web sites. Thanks to these and other efforts, a 1999 Livestock Wildlife Damage Survey conducted by the USDA's National Agricultural Statistics Service indicated that 71.5 percent of Wildlife Services clients do use non-lethal methods.

In FY 2001, in cooperation with the Humane Society of the United States—HSUS--and Defenders of Wildlife, APHIS completed a protocol for pilot studies to evaluate the relative effectiveness of currently available non-lethal predator management methods only versus the integrated wildlife damage management approach APHIS uses. APHIS pursued cooperators in California, Idaho, and West Virginia to participate in the pilot studies. We cooperated with the HSUS to create a small compensation fund to defray the cost of predator losses for cooperators who solely used non-lethal assistance during the first year of the study. Because the study would last several years and require additional compensation funds, we explored the possibility of using commercial insurance policies as a method for covering losses. APHIS scientists would direct the project with three to five specialists involved in each of the three States. APHIS and HSUS mutually agreed to postpone the studies due to lack of adequate funding to conduct them in a scientifically sound manner.

Ms. Kaptur: We know that there is a great emphasis on international trade in agriculture, but I am concerned about whether or not American producers are faced with more demands than their competitors. Can you tell us whether or not foreign governments demand more certifications and pre-treatment of American exports than we require of them?

Response: It is difficult to definitively state whether other countries demand more certifications and pre-treatment regimens than we do in the United States. Countries have differing pest and disease concerns, and, therefore, different certification and pre-treatment requirements may exist for various products in different countries. There are certainly cases where some countries demand requirements of U.S. products that we believe are unnecessary. However, there are regulations on our books that tend to impose more stringent requirements on some imports than other countries may impose. In our Trade Issues Resolution and Management and Import-Export programs, we strive to do a better job of both assessing the risks that products of other countries may pose to U.S. agricultural, and to identify the unfair barriers.

Ms Kaptur: While it is not in your immediate jurisdiction, I was interested in news reports last week that the Brazilians are complaining about the nature of American farm subsidies, while looking to get great access to our markets. Do you have any idea whether or not other countries raise more grievance of this nature than we do?

Response: As you suggest, the propensity of other countries to complain about our farm programs is not something I usually encounter in the Marketing and Regulatory Programs-MRP--area. MRP's major focus in trade is on sanitary and phytosanitary standards and the resulting import regulations that both the United States and our prospective trading partners may establish. We always try to focus on the science and encourage the agricultural health officials of other countries to do the same. Instead of complaints about U.S. farm programs, we are more likely to field arguments from other countries that our regulatory system is too slow to recognize their changing sanitary and phytosanitary status.

Ms. Kaptur: In the portion of your written testimony regarding APHIS, you also provide similar statements that APHIS works to be sure that American animal and animal product exports meet the health and welfare requirements of the recipient countries. Do we have the same mandates on our own imports?

Response: Yes, APHIS requires that foreign countries abide by strict animal health standards when exporting animals and animal products to the United States. APHIS works with foreign animal health officials to develop protocols that specify the conditions for certifying and testing animals and animal products designated for export. We also work closely with exporters, breeders, and private veterinary practitioners to qualify animals and animal products for export.

Ms. Kaptur: Your predecessor suggested that economists had determined that the cost to the United States of invasive species was about $123 billion annually when one totals government and private expenditures, damage, and lost revenues. Do you have any revision to this estimate?

Response: We are collaborating with the Economic Research Service to study this issue. However, a study conducted by Cornell University's College of Agriculture and Life Science estimates that approximately 50,000 nonindigenous species in the U.S. cause major damage and losses of approximately $137 billion annually. This reflects losses, damages, and control costs.

Estimated Annual Costs Nonindigenous Species in the United States

(Dollars in Millions)

Type of Organism	Losses and damages	Control Costs	Total Costs
Plants	24,410	9,648	34,058
Mammals	37,105	0.5	37,105.5
Birds	1,900	N/A	1,900
Reptiles & amphibians	1	4.6	5.6
Fishes	1,000	N/A	1,000
Arthropods	17,644	2,411	20,055
Mollusks	1,205	N/A	1,305
Microbes	23,100	2,600	25,700
Livestock diseases	9,000	N/A	9,000
Human diseases	N/A	6,500	6,500
All organisms			136,630

Source: Pimental, David. "Environmental and Economic Costs of Nonindigenous Species in the United States." BioScience Vol. 50 No. 1 January 2000. Ppg 53-65.

Ms. Kaptur: To the extent that we participate in trade agreements like GATT, NAFTA, and WTO, whose health and safety standards control under these agreements? Is it the importer's, the exporter's, or some international standard?

Response: Under these new trade agreements, countries attempt to harmonize standards for accepting agricultural imports using sound science as a basis. Many of these negotiations are ongoing. Meanwhile, the importing country has the right, under the World Trade Organization-WTO--Sanitary and Phytosanitary Agreement, to set its own safety standards provided they are scientifically legitimate. Member countries also agree to apply sanitary and phytosanitary measures only to the extent necessary to protect human, plant, or animal health. If an exporting country feels that another member country is treating it unfairly, it can bring a request for resolution to the WTO Dispute Settlement Body. If the WTO rules in its favor, the importing country will either be forced to change its regulation or face penalties.

Our participation in the WTO and on the standard-setting bodies assures that those organizations address the United States' sanitary and phytosanitary concerns.

Ms. Kaptur: What happens under these agreements if American standards are more stringent than the international standards?

Response: Generally, a country has a right to impose the highest standards that are deemed necessary to protect human, plant, and animal health, provided they are based on sound science. The United States has, at times, imposed higher standards than other countries. If an exporting country finds the restrictions not science based or more trade restrictive than necessary, they can appeal to the WTO.

Ms. Kaptur: Who bears the liability for problems created by invasive species or diseases?

Response: Under current international law, we cannot hold any individual liable for invasive species or diseases. When diseases do enter the Country, it may be difficult or impossible to assign blame to an individual product or shipment. We cannot make claims to another country and would not want our trading partners to charge us when it is so difficult to accurately determine where a pest or disease might have originated. We do, however, impose penalties on importers or individuals who have violated our requirements. We collect fines and, if necessary, the Department of Justice prosecutes criminal cases involving smuggling of products that could be harmful to U.S. agriculture.

Ms. Kaptur: To what extent has this issue been discussed in trade negotiations or subsequent meetings?

Response: During trade talks, negotiators do not focus on assigning blame specifically, but they may use evidence of a country's violations to influence future trade agreements with them.

Ms. Kaptur: You say that since 1987 APHIS has deregulated 54 genetically engineered crop varieties. Can you describe for us the process that is followed in order to provide this deregulation? Is it a matter of scientific peer review, public comment, or some other procedure?

Response: To date, we have granted 53 petitions to deregulate genetically engineered plant lines. Upon receipt of a petition for a determination of non-regulated status, APHIS thoroughly evaluates the scientific information provided for technical completeness, and consequently either approves or rejects the petition for technical completeness. If rejected, the developer may choose to either amend and resubmit the petition, or withdraw it.

In determining whether to grant a petition for non-regulated status, APHIS examines the biology and genetics of the plant, the nature and origin of the genetic material used, possible effects on other organisms in the environment and agricultural products, and all field test reports. Depending upon the particular plant line, we evaluate a variety of potential effects such as the potential for creating plant pest risk; disease and pest susceptibilities; the expression of gene products, new enzymes, or changes to plant metabolism; weediness, and impact on sexually compatible plants; agricultural or cultivation practices; effects on non-target organisms,

including humans; effects on other agricultural products; and the potential for gene transfer to other types of organisms. In the course of this process, APHIS completes an environmental assessment and evaluates all available scientific information, including the information provided in the petition by the developer.

APHIS has an experienced scientific staff that conducts the evaluations and prepares environmental assessments and determinations of non-regulated status. Moreover, we have recently hired additional scientific staff with a broad range of expertise.

Before making a decision, APHIS publishes both the petition and the environmental assessment in the Federal Register for public comment, and considers all public comments received before making a decision, publishing the final environmental assessment, and granting the petition through writing a determination of nonregulated status. Copies of these decision documents are available to the public.

Ms. Kaptur: When you discuss the increased volume of passengers and cargo at various points of entry, one would expect that you are finding more items than might have been found in the past. Can you give us some idea of the number of incidents for each of the past three years, and whether or not what you are finding in these inspections is different from what might have been discovered in the past?

Response: The total number of incidents has fluctuated in the past 3 years. In 1999, APHIS carried out approximately 92.8 million inspections of individuals, cargo, mail, and various types of vessels. In that period there were 48,949 incidents. Of the approximately 102.9 million inspections in 2000, there were 107,320 incidents. Of the 104.8 million inspections in 2001, we reported 70,850 incidents. The types of incidents have been consistent over the years. The decrease in 2001 was likely due to improved communication, to help arriving passengers and exporters better understand our requirements, and improved inspections at the point of origin.

Ms. Kaptur: I appreciate the efforts that APHIS makes to have expeditious inspection when people come through ports. But given larger aircraft and passenger vessels, is the standard of completion of inspection in thirty minutes a realistic one?

Response: We believe that the goal remains realistic for two reasons. First, APHIS has been increasing both the number of inspectors at the ports and improving the technology they need to carry out inspections expeditiously. We have invested in high-speed x-ray technology, are partnering with Customs to develop the ATS system, and are developing our own violations databases. This technology allows us to best target our inspections to those most likely to violate the regulations. Second, the target of 30-minute inspection does not include those who are not in compliance. If we find that an individual or company is not in compliance, we remove them from the regular system and they do not receive the same 30-minute consideration. For these reasons, APHIS can maintain the goal of completing inspections quickly, even under the current realities of larger aircraft and passenger vessels.

Ms. Kaptur: You are requesting an additional $5 million to assess and monitor outbreaks of diseases in foreign countries that have the potential to spread to the United States. Are there specific countries that you have

targeted with these additional resources, or is this just a general cautionary increase?

Response: APHIS has identified specific countries and regions where there is particular risk of foreign animal disease to the U.S. Traditionally, APHIS has focused the Foreign Animal Disease/Foot-and-Mouth Disease--FAD/FMD--line item in South America, the closest location geographically to the U.S. with endemic FMD. Current travel and trade expansion, however, makes it necessary to expand that view. Pending decisions on resources and coordination with host countries and U.S. embassies, APHIS would like to place more personnel in Asia, specifically China and Southeast Asia. We have already begun placing officers to deal with trade issues in Asia and will expand their role to include preventing foreign animal diseases. We would also place an animal health official in the North Africa/Middle East region for the same reasons. Additionally, many animal health officials APHIS has overseas do not have adequate funding to carry out animal health programs. They are currently carrying out trade work, but we propose to expand their role with the additional funding.

To continue with past efforts in this hemisphere, we would also place additional personnel in Central America, South America, or Mexico, given the necessary resources. Diseases in those countries would put the U.S. at grave risk due to their proximity. A specific need is to fund the efforts of a veterinarian working on classical swine fever eradication in the Dominican Republic and other emerging issues in the Caribbean. The existence of that and other pests and diseases in a region with such frequent passenger traffic to the US puts a great deal of pressure on our borders.

Ms. Kaptur: What is the basis for a request of $5 million? Why not a larger amount if we are having such an increased flow of commerce as you have described?

Response: The $5 million request ($4.1 million, specifically) is only for the FAD/FMD line item for a single year. This amount will double that current line item. APHIS' request overall contains other increases for funding to reduce the possibility of a devastating animal disease or pest harming our animal industries. All together, APHIS has requested approximately $55 million in the FY 2003 President's budget to help prevent the introduction of foreign animal diseases into the U.S.

Ms. Kaptur: If we spent $345 million out of CCC in FY'01 for emergency responses to pests and diseases, how do you justify asking for an increase of $162 million in the APHIS appropriation for this purpose?

Response: The FY 2003 budget requests $162 million in appropriations to continue funding several eradication programs--Asian Longhorned Beetle, citrus canker, Mediterranean fruit fly, chronic wasting disease, plum pox, rabies, scrapie, and tuberculosis--funded in FY 2001 through Commodity Credit Corporation transfers using the Secretary's transfer authority. Because these programs will continue into FY 2003, they are no longer "emergencies" but rather ongoing programs and therefore are included in our budget request.

Ms. Kaptur: You suggest that you are looking for a cost share with States and the private sector to respond to these problems. I have to tell you that I am personally very opposed to this effort. While I know that all authorities have to respond when an outbreak occurs, why should States and the private sector be expected to pay the bill for a problem that is not their causing?

Response: Both the Federal government and cooperators have a responsibility to protect American agriculture from pests and diseases, as well as a stake in the successful control and eradication of infestations. Often State or local jurisdictions and industries will be the primary beneficiaries of these efforts. In fact, most of our ongoing programs are cooperative efforts with State and local governments and industry which share both the programs' cost and benefits. Our efforts in this area recognize this ongoing relationship by creating a set of rational but flexible criteria that can be applied to these efforts, so that program responsibility is shared appropriately by those who benefit from these efforts.

Ms. Kaptur: Mr. Acord's statement suggests that the federal government currently pays over 90% of these costs. This suggests that you are trying to shift some of these costs from the federal government to other payers. At this point, do you have any idea as to what level of cost-share you might be proposing?

Response: No. We are currently working with the Office of Management and Budget to develop the criteria needed to determine the appropriate cost share proposal.

Ms. Kaptur: Do you currently have the authority to impose such a cost-share, or would you need new legislation for it?

Response: We would not require additional legislation to establish the cost share policy. We plan, however, to publish a proposed rule to obtain comments from States and industry groups. We will consider all comments before the final rule is published.

Questions Submitted by Ms. DeLauro

Ms. DeLauro: In your testimony, you state that, "Expansion of the global economy and free trade have caused an increase in the volume of passengers and cargo arriving in the U.S. at additional ports of entry, with additional facilities at existing ports of entry." In addition, the events of September 11th only enhance the argument that we should be very concerned about the deliberate contamination of our food supply from a biological attack. It is obvious that APHIS workload will only increase in the future.

With these increased responsibilities, why has APHIS' budget request for FY 2003 decreased from the FY 2001 actual level? According to the USDA Budget Summary, APHIS FY 2001 actual is $1.089 million and the FY 2003 request is $1.083.

Response: APHIS' total program level for FY 2001 includes $336 million for emergency funding which, due to the unforeseen nature of pest and disease outbreaks, is not reflected in the FY 2003 budget request. The Agency's FY 2003 budget request for Salaries and Expenses is $1.056 billion which represents an increase of $322 million over the FY 2001 level and $209 million over the FY 2002 Current Estimate.

Ms. DeLauro: Does APHIS need more resources to execute its mission? If so, how much does the agency need?

Response: The Agency's FY 2003 budget request is sufficient to address the increasing challenges of protecting American agriculture from pests and diseases.

Ms. DeLauro: In July of last year, USDA's OIG completed a report reviewing APHIS' and FSIS' functions with regard to imported meat. The report noted that there was poor communication between the two agencies, and that APHIS needed to improve its accountability over imported products. Among its many recommendations, the report urged APHIS to develop an automated system that provides control and accountability of imported products entering the U.S. In addition, in the FY 2002 Conference Report of this Committee I authored language urging APHIS to expedite the development of its automated systems to ensure safety of imported products.

What exactly is APHIS doing to comply with the recommendations of this report?

Response: APHIS has taken several steps in response to the OIG report. To improve communication between APHIS and FSIS, the two Agencies entered into a memorandum of understanding--MOU--to better document operational procedures for handling meat and poultry and more clearly define roles and responsibilities of both Agencies at the ports-of-entry. The MOU is already helping us to improve coordination.

APHIS also took actions to improve accountability and control over imported products from countries with FMD restrictions. APHIS banned the entry of shipments of mixed permissible and prohibited product from FMD-restricted countries. APHIS inspectors began independently transmitting FSIS inspection forms. All meat from restricted countries was re-exported by July 18, 2001.

Also in response to OIG recommendations, APHIS agreed to assess how the problem occurred and to adopt corrective measures to ensure the situation is not repeated. APHIS also notified inspectors that they must refuse entry to shipments arriving without proper certification. APHIS and FSIS also inventoried shipments on hold and are maintaining an audit trail of the

products. APHIS has tracked down all shipments misplaced and is investigating the circumstances. APHIS and FSIS are providing reports to OIG on the status.

Ms. DeLauro: What other initiatives has the agency undertaken to improve communication with FSIS, other food safety agencies and other stakeholders?

Response: APHIS is developing its Port Information Network Operations database to track meat and animal product shipments and an Automated Targeting System for holds. APHIS is continuing efforts to collaborate with States and other stakeholders on disease outbreaks and their role in control efforts. For example, during the FMD outbreak in the UK last year, APHIS maintained up-to-date information on its web site and a hotline for passengers and shippers as part of a broader public information campaign.

Ms. DeLauro: When will the development of APHIS' Port Information Network Operations (PINOPS) database be completed and implemented?

Response: We are developing PINOPS in phases. The first phase of developing criteria and testing hardware is already complete. We expect to complete the critical modules to support accountability for imported product in FY 2003.

Ms. DeLauro: When will APHIS complete development of its Automated Manifest System?

Response: The Automated Targeting System--ATS--in APHIS corresponds to Customs' Automated Manifest System. Using Homeland Security funds, APHIS will expedite its development to meet the need to automatically target shipments, track plant and animal products shipments, and to improve communication with FSIS. Similar to PINOPS, APHIS is in the procurement phase for contracts to develop ATS. We expect completion in FY 2003 and will continue enhancing the system in future years.

Ms. DeLauro: How will PINOPS and the Automated Manifest System provide control and accountability of imports entering the U.S.?

Response: ATS will improve identification and automatic targeting of high-risk imports for inspection and potential entry refusal. ATS includes data identifying probable country of origin. ATS and PINOPS will be linked to share relevant data and will contain separate modules for tracking and accounting for products on hold, including entry refusal, and communicating that status with FSIS and other agencies.

Ms. DeLauro: I was shocked when I read a Washington Post article describing unsanitary conditions at a meat packing plant in Mexico. As the article noted, "the incident exposes a blind spot at USDA. In protecting nearly 4 billion pounds of imported meat each year, the USDA increasingly relies on foreign governments-including ones that have repeatedly failed to get the job done." While I understand FSIS has the primary responsibility for food safety at USDA, clearly there also is a role for APHIS.

Ms. DeLauro: What steps does APHIS take to ensure that if contaminated meat or other products are imported into the U.S., they are prevented from entering the U.S. Marketplace? How does APHIS coordinate its effort with FSIS?

Response: The APHIS food safety role is actually indirect. In fulfilling our mission to protect American agriculture, the Agency often works to prevent the entry and dissemination of animal diseases which could affect humans. Also, our workforce at the borders and ports of entry have science backgrounds, including a cadre of veterinarians recently hired to improve our

ability to detect animal disease pathways and carriers. That background could assist them to help identify meat and meat products that appear to pose a human disease threat. However, APHIS activities focus on the borders and ports-of-entry, and on farms. APHIS does not have the linkages between the ports-of-entry and the wholesale of consumer marketplace to play a significant role in the scenario described. APHIS can make its greatest contribution in that scenario by close cooperation and information sharing with FSIS, FDA, and the other border inspection agencies to prevent contaminated meat from ever leaving the port of entry. Toward that end, APHIS and FSIS entered into an MOU to detail the cooperation. Also, the agencies are collaborating within USDA and across departmental line to Treasury, Justice, and others to ensure a common information technology capability. Quick exchange of information is the key to success.

[The justifications of the budget estimates follow:]

2003 Explanatory Notes
Animal and Plant Health Inspection Service

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ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Purpose Statement

The Animal and Plant Health Inspection Service (APHIS) was established by the Secretary of Agriculture on April 2, 1972, under the authority of Reorganization Plan No. 2 of 1953 and other authorities. The mission of the Agency is to lead the way in anticipating and responding to issues involving animal and plant health, conflicts with wildlife, environmental stewardship, and animal well-being. Together with our customers and stakeholders, we promote the health of animal and plant resources to facilitate their movement in the global marketplace and to ensure abundant agricultural products and services for U.S. customers. The mission is carried out under the major areas of activity, as follows:

Pest and Disease Exclusion--APHIS carries out inspections at U.S. ports-of-entry to prevent the introduction of foreign plant and animal pests and diseases which are harmful to our country's agriculture. APHIS develops and conducts preclearance programs to ensure that foreign agricultural products destined for the United States do not present a risk to U.S. agriculture. APHIS engages in cooperative programs to control pests of imminent concern to the United States and to strengthen foreign plant protection and quarantine organizations. APHIS also certifies plants and plant products for export and regulates imports and exports of designated endangered plant species. APHIS assists U.S. exporters and the Foreign Agricultural Service in revising foreign plant and animal import regulations to encourage and increase U.S. agricultural exports.

The statutory authority supporting this program area is contained in 7 U.S.C. 166, 450, 1531-1542, 1581-1610, and 7701-7772; 18 U.S.C. 42; 19 U.S.C. 1306; and 21 U.S.C. 102-105, 111-120, 121-123, 127, 131, 135- 135b, 136, 136a-f, 612-614, 618, and 620; 45 U.S.C. 71-74, and 46 U.S.C. 3901-3902. The principal legislative authorities for these activities include the Plant Protection Act of 2000 and Sections 12-14 of the Federal Meat Inspection Act. The Department's enforcement responsibilities for endangered plants are contained in the Endangered Species Act of 1973. The Food, Agriculture, Conservation, and Trade Act (Farm Bill) of 1990 as amended by Section 1203 of the 1991 Budget Reconciliation Act authorizes user fees for agricultural quarantine inspection, import-export inspection, and veterinary diagnostics. The 1996 Farm Bill (P.L. 104-127) amends the provision for the agricultural quarantine inspection user fees in excess of $100 million. In each of the fiscal years from 1996-2002, fees collected in excess of $100 million shall be available to the Agency to cover the cost of providing agricultural quaratine and inspection services without further appropriation.

Plant and Animal Health Monitoring--The plant and animal health monitoring programs are largely cooperative efforts involving the Federal and State governments, and industry. APHIS conducts programs to prevent communicable plant and animal diseases of foreign origin from entering the United States. Upon entrance into this country, the pests and diseases are rapidly diagnosed. The Agency also carries out surveys in cooperation with the States to detect harmful plant and animal pests and diseases. The programs also help determine if there is a need to establish new pest or disease eradication programs.

This statutory authority for this work is contained in 7 U.S.C. 391, 450, and 1622; and 21 U.S.C. 111-112, 114, 114b-114c, 114d-1, 117, 127, 134e, 608, 610, and 620. Principal legislation authority for these activities is contained in the Act of May 29, 1884; Act of August 30, 1890; Act of February 2, 1903; Act of March 3, 1905; Act of June 17, 1930; Act of September 21, 1944; Act of February 28, 1947; Act of September 6, 1961; Act of July 2, 1962; and Public Law 97-46 of

September 25, 1981; Act of October 14, 1982; Act of January 13, 1983; P.L. 99-198 of December 23, 1985.

Pest and Disease Management--In cooperation with the States, APHIS conducts programs to detect, prevent, and eradicate pests and diseases which are harmful to agriculture. The Agency monitors and regulates interstate shipments of plants, livestock, and related materials to prevent the spread of disease and the distribution of impure, unsafe, and nonefficacious materials and products. Through the Wildlife Services program, APHIS protects agriculture from detrimental animal predators through identification, demonstration, and application of the most appropriate methods of control.

The statutory authority for this work is contained in 7 U.S.C. 281-286, 429, 426-426-b, 450-450f, 851-855, 1624, 3801-3813, and 7701-7772; and 21 U.S.C. 115-130, and 134-134h. Principal legislative authority for these activities is contained in the Animal Industry Act of May 29, 1884; Act of August 30, 1890; Act of February 2, 1903; Act of 1903; Act of March 3, 1905; Tariff Act of June 17, 1930; the Animal Damage Control Act of 1931; Act of September 21, 1944; Plant Protection Act of 2000; Act of February 28, 1947; Act of September 6, 1961; Act of July 2, 1962; P.L. 92-629 of January 3, 1975; the Swine Health Protection Act of October 17, 1980; Public Law 97-46 of September 25, 1981; Act of October 14, 1982; Act of January 13, 1983; P.L. 99-198 of December 23, 1985; and the Food, Agriculture, Conservation, and Trade Act (Farm Bill) of 1990.

Animal Care--The Agency conducts regulatory activities which ensure the humane care and treatment of animals and horses as required by the Animal Welfare Act (AWA) of 1966 as amended (7 U.S.C. 2131-2159), and the Horse Protection Act of 1970 as amended (15 U.S.C. 1821-1831). These activities include inspection of certain establishments which handle animals intended for research, exhibition, and sale as pets, and monitoring of certain horse shows.

Scientific and Technical Services--APHIS develops methods to control animals and pests that are detrimental to agriculture, wildlife, and public safety. The Agency's regulatory structure brings the benefits of genetic research to the marketplace, while protecting against the release of potentially harmful organisms into the environment. APHIS also conducts diagnostic laboratory activities that support the Agency's veterinary disease prevention, detection, control, and eradication programs. The Agency also provides and directs technology development in coordination with other groups in APHIS to support plant protection programs of the Agency and its cooperators at the State, national, and international levels.

The statutory authority supporting this work is contained in 7 U.S.C. 426, 427, 427i, 430, and 7701-7772; and 21 U.S.C. 151-159. The principal legislative authority for these activities is contained in the Act of May 29, 1884; Act of August 30, 1890; Act of February 2, 1903; Act of March 3, 1905; Tariff Act of June 17, 1930; Act of September 21, 1944; the Plant Protection Act of 2000; Act of February 28, 1947; Act of September 6, 1961; Act of July 2, 1962; the Virus-Serum-Toxin Act of March 14, 1913; and the ADC Act of 1931. Authority to collect user fees for veterinary diagnostics is contained in Section 2509 of the Food, Agriculture, Conservation, and Trade Act (Farm Bill) of 1990.

There were 5,789 permanent full-time employees and 2,145 other than permanent full-time employees as of September 27, 2001. Of the total, 935 full-time employees were located at headquarters. Field activities are managed on a national basis through 2 regional offices and 412 field offices, including area offices, work stations, technical centers, and animal import centers. APHIS is in the process of consolidating its current regional offices into two regional hubs. The eastern hub in Raleigh, North Carolina, began operation in August 1999, and the western hub in Fort Collins, Colorado, is scheduled to open in early June 2002. Much of the work is conducted in cooperation with State and local agencies, private groups, and foreign governments. APHIS performs work in the 50 States, Guam, Puerto Rico, Virgin Islands, Mexico, Central America, South America, the Caribbean, Western Europe, Australia, Asia, and Africa.

OIG Audits (all are open)

APHIS, International Programs, 1/25/01, #33099-2-HY

Oversight & Security of Biohazardous Materials at USDA Labs, 12/10/01, #55009-13-AT-(2)

FSIS Imported Met & Poultry Reinspection Process Phase II, 5/1/01, #24099-4-HY

APHIS Safeguards to Prevent Entry of Pests/Diseases into U.S., 5/8/01, #33601-3-CH-(1)

APHIS Safeguards to Prevent Entry of Pests/Diseases into U.S., 5/24/01, #33601-3-CH-(2)

Puerto Rico Dept of Agriculture, A-128 audit for FY ending 6/30/96, report issued 5/29/01, #50018-10-HY

Assessment of APHIS & FSIS Inspection Activities to Prevent Entry of FMD into U.S., 7/23/01, #50601-0003-CH

GAO Audits

Food Irradiation, 10/30/00, RCED-00-217 - closed

Olympic Games, 10/3/00, GGD-00-183 - closed

International Trade, 6/15/01 - closed

Invasive Species, 7/24/01, GAO-01-724 - open

Bioterrorism, 9/28/01, GAO-01-915 - closed

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Available Funds and Staff Years

FY 2001 Actual and Estimated FY 2002 and FY 2003

Item	FY 2001 Actual		FY 2002 Estimated		FY 2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Appropriated: Salaries and Expenses	$489,463,000	3,619	$577,041,000	4,083	$782,227,000	4,622
Emergency Supplementals	5,000,000	--	--	--	--	--
Homeland Security Supplemental	--	--	55,000,000	--	--	--
Agricultural quarantine inspection user fees:						
Annual appropriations	84,813,000	2,370	84,813,000	2,793	--	--
Agricultural quarantine inspection user fees	--	--	269,947,096	--	275,000,000	3,184
Excess over $100 million	137,894,164	--	--	--	--	--
Homeland Security Supplemental	--	--	50,000,000	--	--	--
Ag. Risk Protection Act	30,860,000	--	--	--	--	--
New User Fees, Animal Welfare	--	--	--	--	-5,167,000	--
Emergency transfers (CCC):						
Karnal bunt	1,780,855	2	--	--	--	--
Fruit fly	37,782,766	24	14,131,574	--	--	--
Pseudorabies	16,474,671	20	--	--	--	--
Classical swine fever	1,993,962	2	--	--	--	--
Asian Longhorned Beetle	30,441,809	26	--	--	--	--

Item	FY 2001 Actual		FY 2002 Estimated		FY 2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Citrus canker	108,078,295	28	--	--	--	--
Plum pox virus	14,666,254	3	--	--	--	--
Belgian Sheep	1,664,446	--	--	--	--	--
Scrapie	2,108,228	7	--	--	--	--
GWS Pierce's Disease	8,762,488	--	--	--	--	--
Rabies	3,947,077	--	--	--	--	--
Bovine Tuberculosis	8,462,132	--	--	--	--	--
Chronic Wasting Disease	26,510	--	--	--	--	--
Infectious Salmon Anemia	--	--	8,292,306	--	--	--
Future Transfers	--	--	128,000,000	--	--	--
Emergency Carryover (CCC):						
Asian Longhorned Beetle	--	--	18,020,606	24	--	--
Belgian Sheep	--	--	1,645,497	--	--	--
Citrus canker	--	--	40,678,382	151	--	--
Classical swine fever	--	--	6,414	--	--	--
Karnal bunt	--	--	8,829,883	--	--	--
GWS Pierce's Disease	--	--	3,404,700	8	--	--
Plum pox virus	--	--	1,849,697	2	--	--
Pseudorabies	--	--	46,959,638	11	--	--
Scrapie	--	--	6,764,711	12	--	--
Rabies	--	--	253,129	--	--	--
Chronic Wasting Disease	--	--	2,618,686	--	--	--
Bovine TB	--	--	51,675,634	30	--	--

Item	FY 2001 Actual		FY 2002 Estimated		FY 2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Buildings and Facilities . .	13,906,000	--	7,189,000	--	13,189,000	--
Homeland Security Supplemental	--	--	14,081,000	--	--	--
Net.	998,125,657	6,101	1,391,201,953	7,114	1,065,249,000	7,806
Obligations under other USDA Appropriations:						
Agricultural Marketing Service: for administrative and technical support . .	5,502,474	63	5,780,000	63	5,780,000	63
Agricultural Research Service: for administrative and technical support. . . .	572,479	5	500,000	5	500,000	5
Food and Nutrition Service: for administrative support	8,500	1	8,500	1	8,500	1
Food Safety and Inspection Service: for administrative and technical assistance	333,823	4	340,000	4	340,000	4
Foreign Agricultural Service: for administrative and technical support	591,027	3	680,000	3	680,000	3
Forest Service: for administrative and technical support	534,833	6	540,000	6	540,000	6
Forest Service: for wildlife services support	314,448	--	316,000	--	316,000	--
Grain Inspection, Packers and Stockyards Administration: for administrative and technical support	1,499,650	30	1,500,000	30	1,500,000	30
Natural Resources Conservation Service: for administrative and technical support	148,695	--	150,000	--	150,000	--

Item	FY 2001 Actual		FY 2002 Estimated		FY 2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Office of Chief Information Officer: for administrative support . . .	178,477	--	180,000	--	180,000	--
Office of Inspector General: for administrative support	200,000	2	200,000	2	200,000	2
Risk Management Agency: for administrative support .	120,000	--	120,000	--	120,000	--
Hazardous Waste Management	210,000	--	210,000	--	210,000	--
Farm Service Agency: for administrative support . . .	197,337	--	198,000	--	198,000	--
Coop. State Res. Education and Exten. Service: for technical support	80,234	--	81,000	--	81,000	--
Rural Development: for administrative support. . .	10,668	--	11,000	--	11,000	--
Office of Operations: for administrative support . . .	18,636	--	18,700	--	18,700	--
National Appeals Division: for administrative support	15,942	--	16,000	--	16,000	--
Office of Procurement and Property Management: for administrative support . . .	56,486	--	57,000	--	57,000	--
Miscellaneous reimbursements	105,060	--	104,400	--	104,400	--
Total, Other Agriculture Appropriations	10,698,769	114	11,010,600	114	11,010,600	114
Total, Agriculture Appropriations.	1,008,824,426	6,215	1,402,212,553	7,228	1,076,259,600	7,920

Item	FY 2001 Actual		FY 2002 Estimated		FY 2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Other Federal Funds:						
Department of Defense: for wildlife services support	538,453	3	540,000	3	540,000	3
DOD, US Air Force: for wildlife services support	1,277,277	6	1,280,000	6	1,280,000	6
DOD, US Army: for wildlife services support	2,218,743	5	2,220,000	5	2,220,000	5
DOD, US Navy: for technical support	30,101	1	31,000	1	31,000	1
DOD, US Navy: for wildlife services support	784,350	23	786,000	23	786,000	23
DOD, USN, US Marine Corps: for wildlife services support	283,202	1	280,000	1	280,000	1
Dept of Energy: for wildlife services support	149,593	2	150,000	2	150,000	2
US Food and Drug Administration: for technical support	20,000	--	20,000	--	20,000	--
Dept of HHS, US Public Health Service: for technical support	85,000	--	85,000	--	85,000	--
USDI, OIA: for wildlife services support	401,000	--	403,000	--	403,000	--
US Dept of Interior, Bureau of Land Management: for technical support	370,426	5	372,000	5	372,000	5
US Dept of Interior, Fish and Wildlife Service: for wildlife services support	814,883	16	816,000	16	816,000	16
US Dept of Interior, National Park Service: for wildlife services support	94,055	2	95,000	2	95,000	2

Item	FY 2001 Actual		FY 2002 Estimated		FY 2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Dept of State: for wildlife services support	53,186	1	54,000	1	54,000	1
Dept of Transportation: for wildlife services support	9,000	3	9,000	3	9,000	3
Dept. of Transportation, Federal Aviation Administration: for wildlife services support	75,880	--	76,000	--	76,000	--
Dept of Treasury: for administrative support	2,984	--	3,000	--	3,000	--
USDI, Geological Science Division: for wildlife services support	39,700	--	40,000	--	40,000	--
Tennessee Valley Authority: for wildlife services support	144,325	1	145,000	1	145,000	1
California Army National Guard: for wildlife services support	14,227	--	14,500	--	14,500	--
Veteran's Administration: for wildlife services support	7,004	--	7,000	--	7,000	--
Merit System Protection Board: for administrative support	176,663	--	178,000	--	178,000	--
USDC National Inst. Of Standards and Technology: for technical support	83,056	--	84,000	--	84,000	--
National Aeronautics and Space Administration: for wildlife services support	70,598	--	72,000	--	72,000	--
Dept. of Justice: for wildlife services support	10,890	--	11,400	--	11,400	--
Miscellaneous reimbursements	52,464	--	54,000	--	54,000	--

Item	FY 2001 Actual		FY 2002 Estimated		FY 2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Total, Other Federal Funds	7,807,060	69	7,825,900	69	7,825,900	69
Total, Federal Funds	1,016,631,486	6,284	1,410,038,453	7,297	1,084,085,500	7,989
Reimbursements: Funds from States and local entities for wildlife services support	15,047,047	349	18,000,000	109	20,000,000	347
Import-Export user fees	20,107,323	75	19,500,000	75	19,800,000	75
Phytosanitary certificate user fees	4,694,775	100	4,788,671	100	4,884,444	100
Reimbursable Overtime	14,595,854	--	14,887,771	--	15,185,527	--
Product Certificates	832,303	7	848,949	7	865,928	7
Veterinary Diagnostics User Fees	2,690,697	36	2,773,000	36	2,773,000	36
Trust Funds:						
Miscellaneous Contributed Funds	9,000,000	108	13,000,000	108	14,000,000	108
Total, Non-Federal Funds	66,967,999	675	73,798,391	435	77,508,899	673
Total, Animal and Plant Health Inspection Service	$1,083,599,485	6,959	$1,483,836,844	7,732	$1,161,594,399	8,662

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
Permanent Positions by Grade and Staff-Year Summary
2001 and Estimated 2002 and 2003

Grade	2001			2002			2003		
	Headquarters	Field	Total	Headquarters	Field	Total	Headquarters	Field	Total
ES-6.....	2	0	2	2	0	2	2	0	2
ES-5.....	3	1	4	3	1	4	3	0	3
ES-4.....	5	3	8	6	4	10	7	4	11
ES-3.....	1	0	1	1	1	2	1	1	2
ES-2.....	0	1	1	4	2	6	4	2	6
ES-1.....	4	1	5	4	1	5	4	1	5
GS-15.....	47	33	80	52	37	89	57	41	98
GS-14.....	130	130	260	137	137	274	144	144	288
GS-13.....	206	322	528	217	340	557	228	357	585
GS-12.....	163	702	865	181	780	961	199	826	1025
GS-11.....	80	734	814	89	815	904	98	861	959
GS-10.....	1	8	9	1	10	11	1	11	12
GS-09.....	93	841	934	103	934	1037	113	1220	1333
GS-08.....	12	238	250	13	264	277	14	345	359
GS-07.....	100	486	586	122	562	684	122	649	771
GS-06.....	42	287	329	47	319	366	52	335	387
GS-05.....	22	837	859	24	930	954	26	930	956
GS-04.....	14	176	190	16	196	212	18	216	234
GS-03.....	6	19	25	7	21	28	8	23	31
GS-02.....	1	0	1	1	4	1	1	4	5
Ungraded Positions.....	3	35	38	3	41	44	3	45	48
Total Permanent Positions.....	935	4,854	5,789	1,033	5,399	6,432	1,105	6,015	7,120

Grade	2001			2002			2003		
	Headquarters	Field	Total	Headquarters	Field	Total	Headquarters	Field	Total
Unfilled Positions End-of-Year..	0	0	0	0	0	0	0	0	0
Total Perm. Employment End-of-Year..	935	4,854	5,789	1,033	5,399	6,432	1,105	6,015	7,120
Staff-Years Ceiling.....	1,127	5,832	6,959	1,245	6,487	7,732	1,429	7,233	8,662

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
CLASSIFICATION BY OBJECTS
2001 AND ESTIMATED 2002 AND 2003

		2001	2002	2003
Personnel Compensation:				
	Washington, D.C.	$39,443,704	$48,337,000	$52,758,000
	Field	193,950,990	237,683,000	259,424,000
11	Total personnel compensation	233,394,694	286,020,000	312,182,000
12	Personnel Benefits	61,887,761	77,414,000	94,440,000
13	Benefits for former personnel	574,772	594,000	588,000
	Total pers. comp. & benefits	295,857,227	364,028,000	407,210,000
Other objects:				
21	Travel	19,565,810	23,059,000	25,003,000
22	Transportation of things	5,255,830	5,927,000	6,253,000
23.1	Rent payments to GSA	25,684,000	26,709,000	26,709,000
23.2	Rent payments to others	7,968,351	9,031,000	9,963,000
23.3	Communications, utilities, and misc.charges.	5,963,660	6,761,000	7,459,000
24	Printing	1,653,343	2,010,000	10,499,000
25.1	Advisory and assistance services	43,052,958	46,405,000	59,984,000
25.2	Other services	1,605,584	1,713,000	2,220,000
25.3	Purchases of goods and services from Government Accounts	3,828,162	4,053,000	5,265,000
25.4	Operation and maintenance of facilities	14,569,201	15,655,000	20,263,000
25.5	Research and Development Contracts	69,317,634	74,723,000	96,646,000
25.6	Medical care	391,208	414,000	482,000
25.7	Operation and maintenance of equipment	4,230,824	4,557,000	5,894,000

		2001	2002	2003
25.8	Subsistence and support of persons	190,914	201,000	262,000
26	Supplies and materials	20,764,157	22,925,000	26,924,000
31	Equipment	29,317,430	32,049,000	45,365,000
32	Land and structure	138,469	140,000	138,000
41	Grants, subsidies, and contributions	19,872,054	20,685,000	21,441,000
42	Insurance claims and indemnities	644,643	566,000	3,905,000
43	Interest and dividends	238,746	240,000	341,000
44	Refunds	2,105,000	2,000	2,000
	Total, other objects	274,252,084	297,825,000	375,017,000
Total Direct Obligations		570,109,311	661,854,000	787,227,000
Position Data:				
	Average Salary, ES positions	130,232	136,092	142,216
	Average Salary, GS positions	46,458	48,548	50,732
	Average, GS positions	9.07	9.08	9.10

PASSENGER MOTOR VEHICLES

The 2003 Budget Estimates propose the purchase of 170 replacement passenger motor vehicles.

The passenger motor vehicles of the Service are used by veterinarians, animal health technicians, plant protection and quarantine officers, inspectors, wildlife biologists, and other technical personnel in the performance of their duties. APHIS personnel use passenger motor vehicles during their daily activities to travel between individual ranches, farms, orchards, nurseries, ports, and other commercial firms. Use of common carriers is not feasible because of the need to travel in mostly rural areas. Comparative cost studies have shown that it is more economical to use Government owned vehicles rather than reimburse employees for the use of privately owned cars.

The Service's policy is to pool vehicles for use as much as possible. This results in a minimum of passenger motor vehicles and reduces overall operating costs. Operators are required to maintain and submit operational data. Periodic surveys are made to determine the continued need for vehicles and their condition.

Replacement of passenger motor vehicles. APHIS proposes replacing 170 of the 679 vehicles in the Agency fleet. Of the 679 vehicles, 496 are estimated to be in operation at the beginning of FY 2002, 54 have been sold and not yet replaced, and 62 have been ordered and not yet delivered. These 496 vehicles are located in field locations and are used for pest and disease exclusion, plant and animal health monitoring, pest and disease management, animal care, and scientific and technical services programs. The control, eradication, testing, and inspection activities are essential in protecting the Nation's agriculture. All vehicles proposed for replacement have 60,000 or more miles or are more than 3 years of age.

Age and mileage data for passenger motor vehicles on hand as of September 30, 2001, are as follows:

Age Data			Mileage Data		
Age-Year Model	Number of Vehicles	Percent of Total	Lifetime Mileage (000)	Number of Vehicles	Percent of Total
1996 + older	203	40.9	80 or more	173	34.9
1997	40	8.1	60-80	67	13.5
1998	57	11.5	40-60	84	16.9
1999	57	11.5	20-40	147	29.6
2000	114	23.0	20 or less	25	5.0
2001	25	5.0			
Total	496	100.0	Total	496	100.0

AIRCRAFT

There are presently 22 aircraft in the Agency fleet. eight for domestic plant pest and disease programs. 12 for animal damage control programs and two for international plant and animal pest exclusion programs. APHIS aircraft make aerial surveys and aerial application tests. are used for insect trapping operations. and are used to demonstrate special equipment for suppression of destructive insects attacking crops.

Replacement aircraft. if purchased. would be used primarily in pest and disease management programs. These aircraft are sometimes used to supervise and observe contract planes which are newer. faster models than those the Agency has available. While this replacement authority is requested each year in the appropriation act. the aircraft are replaced only when necessary to maintain the fleet in safe and efficient operating condition.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

The estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Salaries and Expenses:

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426-426b); and to protect the environment, as authorized by law, [$620,490,000] $782,227,000, of which [$4,096,000] $4,167,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for
1 control of pest animals and birds to the extent necessary to meet emergency conditions [; of which $77,355,000 shall be used for bollweevil eradication program for cost share purposes or for debt retirement for active eradication zones]: *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 field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to
2 exceed four, of which two shall be for replacement only: *[Provided further*, That, in addition, in emergencies 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 of pests or animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, and section 102 of the Act of September 21, 1944, 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.

In fiscal year [2002] 2003, 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.

3 [Of the total amount available under this heading in fiscal year 2002, $84,813,000 shall be derived from user fees deposited in the Agricultural Quarantine Inspection User Fee Account]. *(10 U.S.C. 2306:15 U.S.C. 69e, 1821-31; 16 U.S.C. 1531-43; 18 U.S.C. 1114: 19U.S.C. 1306, 21 U.S.C. 101-05, 111-114, 114a-114c; 114d-1, 114e-131, 134-135b, 151-158; 26 U.S.C. 4491-94; 45 U.S.C. 71-74; 46USC 466a-466 (b); 49 U.S.C. 1471(a)-1509(d), 1741; 46 stat. 67; 78 stat. 939-940; 99 stat.1645-1650, 1654-1656, 1658-1659; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002; additional authorizing legislation required.)*

4 [For emergency expenses to respond to the September 11, 2001, terrorist attacks on the United States, for "Salaries and Expenses", $105,000,000, to remain available until expended, to be obligated from amounts made available in Public Law 107-38, of which $50,000,000 may be transferred to and merged with the Agricultural Quarantine Inspection User Fee Account.] (Emergency Supplemental Act, 2002.)

First change proposes deletion of the language included in the Agriculture, Rural Development, and Related Agencies Appropriations Act 2002, providing $77.3 million for the boll weevil eradication program. Since this cost share assistance was provided in FY 2002, retention of the language in FY 2003 is unnecessary.

Second change proposes to delete the current authority to transfer funding to APHIS to combat emergency infestations on an expedited basis. In FY 2001 $335 million was transferred to APHIS under this authority (14 times the amount transferred just three years earlier), of which 80 percent were for costs to eradicate infestations funded in the previous year, which by definition represented an ongoing program rather than an unanticipated emergency. To provide for unanticipated emergencies, the budget includes a general provision to amend the Agricultural Risk Protection Act, which describes the criteria for transfers.

Third change proposes deletion of the language included in the 1996 Farm Bill, providing $100 million in AQI user fee collections without appropriation. The law provides that beginning in FY 2003, all AQI user fee collections will become available without the need for annual appropriations and the program will operate like typical user fee programs, with spending determined by the demand for AQI services. Retention of the language in FY 2003 is unnecessary.

Fourth change deletes appropriations language from FY 2002, unnecessary in FY 2003.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Lead-off Tabular Statement

SALARIES AND EXPENSES

Appropriations Act, 2002		$620,490,000
Budget Estimate, 2003		782,227,000
Increase in Appropriation		+161,737,000
Adjustments in 2002:		
Appropriations Act, 2002	620,490,000	
Transfer in Estimates for Retirement/Health Pension Benefits a/	14,655,000	
Activities transferred from Rental Payments to GSA account b/	26,709,000	
Adjusted base for 2002		661,854,000
Budget Estimate, Current Law		782,227,000
Increase over adjusted 2002		+120,373,000

a/ Estimates for Retirement/Health Pension Benefits are included in the budgets of agencies as a one-time shift of funds. On a comparable basis the full annual cost of the activity is $15,108,000 for 2003.

b/ Rental payments to GSA are included in the budgets of agencies occupying GSA space as a one-time shift of funds. On a comparable basis the full annual cost of the activity is $26,709,000.

SALARIES AND EXPENSES - PROPOSED LEGISLATION

Budget Estimate, Current Law, 2003	$782,227,000
Change due to proposed legislation	-5,167,000
Net Request, 2003 Department Estimate	+777,060,000

Item of Change	2002 Estimated	Pay Costs	Other Non-program Changes	Program Change	2003 Estimated
AQI - Appropriated	$58,090,000	$1,955,000	$124,000	$11,979,000	$72,148,000
AQI - User Fees	84,813,000	0	0	-84,813,000	0
Cattle Ticks	6,757,000	306,000	19,000	-184,000	6,898,000
FMD/Emerging Foreign Animal Diseases	3,898,000	31,000	3,000	4,119,000	8,051,000
Fruit Fly Exclusion and Detection	38,990,000	764,000	48,000	24,160,000	63,962,000
Import/Export Inspection	9,420,000	373,000	23,000	1,051,000	10,867,000
Screwworm	30,797,000	122,000	6,000	0	30,925,000
Trade Issues Resolution Management	11,607,000	160,000	8,000	0	11,775,000
Tropical Bont Tick	424,000	7,000	0	0	431,000
Subtotal, Pest and Disease Exclusion	244,796,000	3,718,000	231,000	-43,688,000	205,057,000
Animal Health Monitoring and Surveillanc	74,921,000	1,912,000	122,000	19,333,000	96,288,000
Animal & Plant Health Reg. Enforcement	8,554,000	277,000	18,000	0	8,849,000
Emergency Management System	4,201,000	54,000	3,000	6,945,000	11,203,000
Pest Detection	7,174,000	82,000	5,000	19,779,000	27,040,000
Subtotal, Plant & Animal Health Monit	94,850,000	2,325,000	148,000	46,057,000	143,380,000

Item of Change	2002 Estimated	Pay Costs	Other Non-program Changes	Program Change	2003 Estimated
Aquaculture	1,166,000	17,000	0	-191,000	992,000
Biological Control	9,434,000	359,000	18,000	0	9,811,000
Boll Weevil	80,307,000	14,000	1,000	-43,443,000	36,879,000
Brucellosis	10,217,000	158,000	10,000	-1,323,000	9,062,000
Chronic Wasting Disease	0	0	0	7,233,000	7,233,000
Emerging Plant Pests	46,649,000	900,000	79,000	83,406,000	131,034,000
Golden Nematode	860,000	17,000	0	-197,000	680,000
Grasshopper	0	0	0	4,219,000	4,219,000
Gypsy Moth	4,840,000	118,000	6,000	0	4,964,000
Imported Fire Ant	2,982,000	11,000	1,000	-747,000	2,247,000
Johne's Disease	3,156,000	54,000	5,000	0	3,215,000
Noxious Weeds	1,306,000	6,000	0	-123,000	1,189,000
Pink Bollworm	2,003,000	57,000	3,000	-257,000	1,806,000
Plum Pox	0	0	0	5,551,000	5,551,000
Pseudorabies	4,328,000	135,000	5,000	0	4,468,000
Scrapie	3,263,000	59,000	4,000	19,295,000	22,621,000
Tuberculosis	9,141,000	201,000	13,000	10,724,000	20,079,000
Wildlife Services Operations	54,119,000	962,000	61,000	13,603,000	68,745,000
Witchweed	1,584,000	10,000	0	0	1,594,000
Subtotal, Pest & Disease Management	235,355,000	3,078,000	206,000	97,750,000	336,389,000
Animal Welfare	15,929,000	441,000	29,000	-1,227,000	15,172,000
Horse Protection	421,000	11,000	0	67,000	499,000
Subtotal, Animal Care	16,350,000	452,000	29,000	-1,160,000	15,671,000
APHIS Information Tech Infrastructure	1,748,000	0	0	2,854,000	4,602,000
Biotechnology/Environmental Protection	11,278,000	481,000	25,000	0	11,784,000
Plant Methods Development Labs	5,609,000	255,000	13,000	0	5,877,000
Veterinary Biologics	12,553,000	419,000	27,000	985,000	13,984,000
Veterinary Diagnostics	19,331,000	512,000	32,000	5,131,000	25,006,000
Wildlife Services Methods Develoment	15,824,000	303,000	19,000	164,000	16,310,000
Subtotal, Scientific & Technical Service	66,343,000	1,970,000	116,000	9,134,000	77,563,000
Contingency Fund	4,160,000	7,000	0	0	4,167,000
Total, Available	$661,854,000	$11,550,000	$730,000	$108,093,000	$782,227,000

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Project Statement - Current Law

(On basis of appropriation)

	2001 Actual		2002 Estimated		Increase or	2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
1. Pest and Disease Exclusion:							
(a) Agricultural Quarantine Inspection (Appropriated)	$48,099,985	573	$58,090,000	691	$14,058,000	$72,148,000	790
(b) Agricultural Quarantine Inspection (User Fees)	84,813,000	2,370	84,813,000	2,793	-84,813,000	0	0
(c) Cattle Ticks	6,064,883	112	6,757,000	108	141,000	6,898,000	110
(d) FMD/Emerging Foreign Animal Diseases	4,174,968	9	3,898,000	11	4,153,000	8,051,000	25
(e) Fruit Fly Exclusion & Detection	32,794,749	263	38,990,000	270	24,972,000	63,962,000	304
(f) Import/Export Inspection	7,778,575	140	9,420,000	132	1,447,000	10,867,000	148
(g) Screwworm	24,419,838	38	30,797,000	35	128,000	30,925,000	36
(h) Trade Issues Resolution Mgmt	8,918,482	37	11,607,000	46	168,000	11,775,000	47
(i) Tropical Bont Tick	440,407	2	424,000	2	7,000	431,000	2
Total, Pest and Disease Exclusion	217,504,887	3,544	244,796,000	4,088	(1) -39,739,000	205,057,000	1,462
2. Plant and Animal Health Monitoring:							
(a) Animal Health Monitoring and Surveillance	75,433,083	713	74,921,000	676	21,367,000	96,288,000	767
(b) Animal and Plant Health Regulatory Enforcement	7,452,866	85	8,554,000	100	295,000	8,849,000	105
(c) Emergency Management System	5,628,588	15	4,201,000	19	7,002,000	11,203,000	45
(d) Pest Detection	7,484,196	46	7,174,000	29	19,866,000	27,040,000	109
Total, Plant and Animal Health Monitoring	95,998,733	859	94,850,000	824	(2) 48,530,000	143,380,000	1,026
3. Pest and Disease Management:							
(a) Aquaculture	981,809	6	1,166,000	6	-174,000	992,000	6
(b) Biological control	8,019,818	110	9,434,000	103	377,000	9,811,000	105
(c) Boll Weevil	82,829,954	16	80,307,000	5	-43,428,000	36,879,000	5
(d) Brucellosis	10,417,961	61	10,217,000	56	-1,155,000	9,062,000	56
(e) Chronic Wasting Disease	0	0	0	0	7,233,000	7,233,000	23
(f) Emerging Plant Pests	22,317,118	40	46,649,000	420	84,385,000	131,034,000	299
(g) Golden nematode	645,720	6	860,000	6	-180,000	680,000	6
(h) Grasshopper	0	0	0	0	4,219,000	4,219,000	34
(i) Gypsy Moth	4,981,709	38	4,840,000	34	124,000	4,964,000	35
(j) Imported Fire Ant	2,227,813	3	2,982,000	4	-735,000	2,247,000	4
(k) Johne's Disease	0	0	3,156,000	25	59,000	3,215,000	25
(l) Noxious Weeds	1,037,777	2	1,306,000	2	-117,000	1,189,000	2
(m) Pink Bollworm	1,623,169	16	2,003,000	20	-197,000	1,806,000	20
(n) Plum Pox	0	0	0	0	5,551,000	5,551,000	29
(o) Pseudorabies	10,965,645	26	4,328,000	24	140,000	4,468,000	29
(p) Scrapie	3,159,756	23	3,263,000	21	19,358,000	22,621,000	29
(q) Tuberculosis	11,590,709	38	9,141,000	71	10,938,000	20,079,000	63
(r) Wildlife Services Operations	39,931,618	385	54,119,000	340	14,626,000	68,745,000	453
(s) Witchweed	1,632,100	4	1,584,000	3	10,000	1,594,000	3
Total, Pest and Disease Management	202,362,676	774	235,355,000	1,140	(3) 101,034,000	336,389,000	1,226

	2001 Actual		2002 Estimated		Increase or	2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
4. Animal Care:							
(a) Animal Welfare	13,320,644	143	15,929,000	156	-757,000	15,172,000	156
(b) Horse Protection	428,559	4	421,000	4	78,000	499,000	5
Total, Animal Care	13,749,203	147	16,350,000	160	(4) -679,000	15,671,000	161
5. Scientific and Technical Services:							
(a) APHIS Information Technology Infrastructure	3,045,307	–	1,748,000	–	2,854,000	4,602,000	–
(b) Biotechnology/Environmental Protection	11,251,102	115	11,278,000	138	506,000	11,784,000	141
(c) Plant methods development labs	6,668,436	79	5,609,000	73	268,000	5,877,000	74
(d) Veterinary Biologics	11,801,210	152	12,553,000	148	1,431,000	13,984,000	159
(e) Veterinary Diagnostics	19,183,731	187	19,331,000	181	5,675,000	25,006,000	243
(f) Wildlife Services Methods Development	11,952,913	113	15,824,000	107	486,000	16,310,000	112
Total, Scientific and Technical Services.	63,902,699	646	66,343,000	647	(5) 11,220,000	77,563,000	729
6. Contingencies: Plant and Animal Diseases and Pests	2,881,755	17	4,160,000	17	(6) 7,000	4,167,000	18
Unobligated balance	8,736,047	0	0	0	0	0	0
Total, Salaries and Expenses	605,136,000	5,987	661,854,000	6,876	(7) 120,373,000	782,227,000	4,622
Supplemental, P.L. 107-20 a/	-5,000,000	0					
Ag. Risk Prot. Act, P.L. 106-224 b/	-30,860,000	0					
Transfer from the Office of the Secretary for Congressional Relation activities	-101,000	0	c/				
Transfer for Retirement Health Pension Benefits	-14,094,000	0	-14,655,000	0			
Transfers from Rental Payments to GSA Account	-25,684,000		-26,709,000	0			
Rescission	1,167,000	0					
Total, Salaries and Expenses	530,564,000	5,987	620,490,000	6,876	120,373,000	782,227,000	4,622

a/ Includes: AQI Appropriated ($700,000); Animal Health Monitoring and Surveillance ($644,000); Emergency Management System ($3,000,000); and Veterinary Diagnostics ($656,000).

b/ Includes: Emerging Plant Pests ($18,860,000); Pseudorabies ($7,000,000) and Tuberculosis ($6,000,000)

c/ Amount to be determined by Assistant Secretary for Congressional Relations.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Project Statement - Current Law

(On basis of available funds)

	2001 Actual		2002 Estimated		Increase or	2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
1. Pest and Disease Exclusion:							
(a) Agricultural Quarantine Inspection (Appropriated)	$47,399,985	573	$58,090,000	691	$14,058,000	$72,148,000	790
(b) Agricultural Quarantine Inspection (User Fees)	84,813,000	2,370	84,813,000	2,793	-84,813,000	0	0
(c) Cattle Ticks	6,064,883	112	6,757,000	108	141,000	6,898,000	110
(d) FMD/Emerging Foreign Animal Diseases	4,174,968	9	3,898,000	11	4,153,000	8,051,000	25
(e) Fruit Fly Exclusion & Detection	32,794,749	263	38,990,000	270	24,972,000	63,962,000	304
(f) Import/Export Inspection	7,778,575	140	9,420,000	132	1,447,000	10,867,000	148
(g) Screwworm	26,253,149	38	30,797,000	35	128,000	30,925,000	36
(h) Trade Issues Resolution Mgmt	8,918,482	37	11,607,000	46	168,000	11,775,000	47
(i) Tropical Bont Tick	440,407	2	424,000	2	7,000	431,000	2
					(1)		
Total, Pest and Disease Exclusion	218,638,198	3,544	244,796,000	4,088	-39,739,000	205,057,000	1,462
2. Plant and Animal Health Monitoring:							
(a) Animal Health Monitoring and Surveillance	74,789,083	713	74,921,000	676	21,367,000	96,288,000	767
(b) Animal and Plant Health Regulatory Enforcement	7,452,866	85	8,554,000	100	295,000	8,849,000	105
(c) Emergency Management System	2,628,588	15	4,201,000	19	7,002,000	11,203,000	45
(d) Pest Detection	7,484,196	46	7,174,000	29	19,866,000	27,040,000	109
Total, Plant and Animal Health Monitoring	92,354,733	859	94,850,000	824	(2) 48,530,000	143,380,000	1,026
3. Pest and Disease Management:							
(a) Aquaculture	981,809	6	1,166,000	6	-174,000	992,000	6
(b) Biological control	8,019,818	110	9,434,000	103	377,000	9,811,000	105
(c) Boll Weevil	82,829,954	16	80,307,000	5	-43,428,000	36,879,000	5
(d) Brucellosis	10,417,961	61	10,217,000	56	-1,155,000	9,062,000	56
(e) Chronic Wasting Disease	0	0	0	0	7,233,000	7,233,000	23
(f) Emerging Plant Pests	3,457,118	40	46,649,000	420	84,385,000	131,034,000	299
(g) Golden nematode	645,720	6	860,000	6	-180,000	680,000	6
(h) Grasshopper	0	0	0	0	4,219,000	4,219,000	34
(i) Gypsy Moth	4,981,709	38	4,840,000	34	124,000	4,964,000	35
(j) Imported Fire Ant	2,227,813	3	2,982,000	4	-735,000	2,247,000	4
(k) Johne's Disease	0	0	3,156,000	25	59,000	3,215,000	25
(l) Noxious Weeds	1,037,777	2	1,306,000	2	-117,000	1,189,000	2
(m) Pink Bollworm	1,623,169	16	2,003,000	20	-197,000	1,806,000	20
(n) Plum Pox	0	0	0	0	5,551,000	5,551,000	29
(o) Pseudorabies	3,965,645	26	4,328,000	24	140,000	4,468,000	29
(p) Scrapie	3,159,756	23	3,263,000	21	19,358,000	22,621,000	29
(q) Tuberculosis	5,590,709	38	9,141,000	71	10,938,000	20,079,000	63
(r) Wildlife Services Operations	39,931,613	385	54,119,000	340	14,626,000	68,745,000	453
(s) Witchweed	1,632,100	4	1,584,000	3	10,000	1,594,000	3
					(3)		
Total, Pest and Disease Management	170,502,676	774	235,355,000	1,140	101,034,000	336,389,000	1,226

	2001 Actual		2002 Estimated		Increase or	2003 Estimated	
	Amount	Staff Years	Amount	Staff Years	Decrease	Amount	Staff Years
4. Animal Care:							
(a) Animal Welfare	13,320,644	142	15,929,000	156	-757,000	15,172,000	156
(b) Horse Protection	428,559	4	421,000	4	78,000	499,000	5
Total, Animal Care	13,749,203	146	16,350,000	160	(4) -679,000	15,671,000	161
5. Scientific and Technical Services:							
(a) APHIS Information Technology Infrastructure	3,045,307	--	1,748,000	--	2,854,000	4,602,000	--
(b) Biotechnology/Environmental Protection	11,251,102	118	11,278,000	138	506,000	11,784,000	141
(c) Plant methods development labs	6,668,436	79	5,609,000	73	268,000	5,877,000	74
(d) Veterinary Biologics	11,801,210	152	12,553,000	148	1,431,000	13,984,000	159
(e) Veterinary Diagnostics	18,527,731	187	19,331,000	181	5,675,000	25,006,000	243
(f) Wildlife Services Methods Development	11,952,913	113	15,824,000	107	486,000	16,310,000	112
Total, Scientific and Technical Services	63,246,699	649	66,343,000	647	(5) 11,220,000	77,563,000	729
6. Contingencies: Plant and Animal Diseases and Pests	2,881,755	17	4,160,000	17	(6) 7,000	4,167,000	18
Unobligated balance	8,736,047	0	0	0	0	0	0
Total, Salaries and Expenses	570,109,311	5,989	661,854,000	6,876	120,373,000	782,227,000	4,622
9. CCC Transfers	334,821,771	112	150,661,000	0	-150,661,000	0	0
10. Supplemental, P.L. 107-20	5,000,000	0	0	0	0	0	0
11. Ag. Risk Prot. Act, PL 106-224	30,860,000	0	0	0	0	0	0
12. >$100 million for AQI	137,894,164	0	0	0	0	0	0
13. AQI User Fees	0	0	185,134,096	0	89,865,904	275,000,000	3,184
14. Advances and reimbursements	79,917,078	750	83,000,000	748	0	83,000,000	748
15. Trust Funds	9,000,000	108	13,000,000	108	1,000,000	14,000,000	108
Total, Salaries and Expenses	1,167,602,324	6,959	1,093,649,096	7,732	60,577,904	1,154,227,000	8,662

Note: APHIS has the authority to carryover up to $2 million of its unobligated balance until expended for relocation purposes.

JUSTIFICATION OF INCREASES AND DECREASES

(1) A net decrease of $39,739,000 for pest and disease exclusion activities, consisting of:

(a) A total increase of $11,550,000 for pay costs, of which $3,718,000 is for pest and disease exclusion activities, which includes $930,000 for annualization of the Fiscal Year (FY) 2002 pay raise and $2,788,000 for the anticipated FY 2003 pay raise.

This increase will enable APHIS to maintain current staffing levels which are critical to achieving the Agency's objective of protecting American agriculture. Because a large portion of APHIS' budget is in support of personnel compensation, absorbing pay costs would require a reduction in direct program operations and severely limit the Agency's ability to anticipate and respond to issues involving animal and plant health, manage conflicts with wildlife, promote environmental stewardship, and ensure animal well-being.

(b) An increase of $11,979,000 for the Agricultural Quarantine Inspection (AQI) appropriated program ($58,090,000 available in FY 2002).

APHIS' goal is to reduce the threat of agricultural pests and diseases approaching U.S. borders. We minimize the threat of invasive species entering the U.S. by conducting point-of-entry inspections of travelers and cargo along the Mexican and Canadian borders and predeparture inspections of passengers and cargo from Hawaii and Puerto Rico to the mainland. Also, the Agency inspects private and military aircraft and small tonnage vessels from Hawaii and Puerto Rico. The global economy and free trade expansion have dramatically increased passengers and cargo arriving in the U.S. from these locations, seriously affecting APHIS' ability to meet workload and customer service demands. In addition, foreign animal diseases (FADs), such as Foot-and-Mouth Disease (FMD), that exist in other countries pose serious threats to our livestock industry and therefore require us to increase inspectional activities at our borders.

Recent outbreaks of FMD in the United Kingdom and other European countries demonstrated clearly that new threats constantly emerge that place the U.S. at risk. The presence of FMD in South America, fruit flies in Central America, and classical swine fever in Hispanola pose special threats because of their proximity to the U.S. APHIS requires additional funds to enhance inspectional activities at U.S. ports to prevent the entry of FMD and other diseases and pests. Of this increase, we will use $2,800,000 to place additional inspectors and X-ray machines for border crossing inspections in the U.S.; $4,979,000 to place additional inspectors and canine teams to enhance cargo inspections at high risk locations along the borders; and, $4,200,000 to further develop and maintain an automated targeting system (ATS) which will serve as the electronic interface between the U.S. Customs Services and the USDA to identify and automatically segregate high risk cargo of agricultural interest. The ATS also will serve as the electronic interface between the Food Safety and Inspection Service and the Food and Drug Administration to track animal products coming into the U.S. Initial ATS development is proposed to be funded from FY 2002 Supplemental funds. If Supplemental funds are sufficient to complete development and maintenance in FY 2003, we would redirect these funds to additional border crossing and cargo inspections.

APHIS and stakeholders (primarily the National Plant Board) have joined together to aggressively pursue the enhanced safeguarding strategies identified in a 1999 Safeguarding Review. Safeguarding America's vast and vitally important agriculture and plant resources from attack by invasive plant pests and diseases requires continuous attention and swift intervention. The Review recommendations are designed to protect

U.S. agriculture and plant resources while enabling continued rapid growth in international agricultural trade. APHIS will continue implementing Review recommendations with the requested funding.

These increases also will help APHIS reach the FY 2003 annual performance targets of achieving 97 percent compliance from border vehicles, cargo, and international air passengers meeting U.S. agricultural quarantine regulations.

(c) A decrease of $84,813,000 for the AQI user fee program ($84,813,000 available in FY 2002) representing a shift from discretionary to mandatory funding.

The 1996 Farm Bill provided that until September 30, 2002, APHIS could not spend the first $100,000,000 in AQI user fee collections without appropriation. The law provides that beginning in FY 2003, all AQI user fee collections will become available without the need for annual appropriations and the program will operate like typical user fee programs, with spending determined by the demand for AQI services. This provision allows APHIS to request this decrease in appropriated funding. All program operations will reflect the volume of service and the accompanying revenue.

(d) A decrease of $184,000 for the cattle tick program ($6,757,000 available in FY 2002).

APHIS prevents the re-establishment of cattle fever ticks in the United States by maintaining a buffer zone along the Texas-Mexico border. APHIS controls infestations through the use of a permanent quarantine zone and systematic patrols and inspections. To manage these outbreaks, APHIS provides surveillance and investigation services. The economic health of the U.S. cattle industry is dependent upon APHIS's ability to limit the cattle fever tick population to an acceptable level along the Rio Grande River. In FY 2002, APHIS received additional funding to fill at least two inspector vacancies, replace at least 5 vehicles, and update radio equipment. With reduced funding, APHIS will maintain program efforts at approximately the FY 2002 level.

(e) An increase of $4,119,000 for the foreign animal disease program ($3,898,000 available in FY 2002).

APHIS reduces the risk of the introduction of FMD and other FADs by monitoring and reporting emerging animal disease occurrences overseas. This program supports the performance goal of eradicating or controlling specific pest threats in foreign countries. The introduction of such pests or diseases into the U.S. has the potential to devastate domestic animal industries and cause losses to consumers as well. APHIS veterinarians working overseas are correctly positioned to establish working relationships with foreign animal health officials. There they can provide technical assistance to improve the countries' monitoring, surveillance, and emergency response systems. This increase will lead to a reduction in the risk of diseases entering the U.S. by allowing APHIS to quickly respond to outbreaks of diseases in foreign countries.

Recent outbreaks of FMD in Europe and Asia demonstrate the effects an outbreak could have on the U.S. The possibility of introduction of FADs into the U.S. increases with expanded air travel and international trade. Many countries and regions that are becoming important U.S. trading partners do not have APHIS animal health experts. With this increase APHIS will place new veterinary Foreign Service Officers in the Africa/Middle East region, the Caribbean, China, and Southeast Asia. APHIS officials will increase field visits to countries in Africa and Central Europe. The veterinarians will conduct training on improved surveillance and monitoring methods and coordinate

inspections for FMD and other FADs. These officials will also be in the position to gather information on regionalization requests from areas in countries exporting to the U.S. in order to establish their risk of causing disease outbreaks in the U.S. Through the relationships they establish in new areas, APHIS officials will monitor for the prevalence of diseases in foreign locations. The Agency will participate in control efforts when new outbreaks occur in these areas. Without these contacts U.S. animal health officials must wait to assess the risks of the situation to U.S. agriculture because they have no access.

This increase will also support three veterinary medical officers to enhance protection of U.S. herds by assisting the veterinary infrastructure in Honduras, El Salvador, Nicaragua, and Costa Rica. These officials will draw on the success of the screwworm program. APHIS will take a lead role in preventing the spread of new animal disease threats in Central America where the Agency already has infrastructure and relationships established.

Additionally, the increase will provide funds for eradication of Classical Swine Fever from the Dominican Republic and Haiti. APHIS used emergency funds to station a Veterinary Medical Officer in Santo Domingo, Dominican Republic to control the outbreak of the disease. The presence of classical swine fever close to U.S. shores poses an unacceptable risk of economic loss to the pork industry in the U.S.

In South America, where the current APHIS FMD program is focused, APHIS will redirect its efforts to eradicate the disease from Colombia and its neighbors Ecuador and Venezuela. Additionally, we will place two veterinarians in Brazil and Uruguay, two neighboring countries with difficulties controlling FMD on their borders. Uruguay, which had been free of FMD since the early 1990s, has recently seen increased viral activity. Their well-established veterinary infrastructure will aid in monitoring and surveillance activities in neighboring countries and in hemispheric eradication efforts in cooperation with the Pan American Health Organization (PAHO). APHIS would further contribute to eradication efforts by working on the Peru-Bolivia and Peru-Ecuador borders. The Agency currently participates in PAHO programs on the Colombia-Ecuador and Colombia-Venezuela borders.

This funding increase will enable APHIS to achieve its target, as stated in the APHIS Annual Performance Plan, of zero incidents of FMD in Mexico, Central America, and Panama. APHIS has been successfully aiding these countries, which, if they had an outbreak of FMD, would be a potential source of an overland introduction of FMD into the U.S. The goal of keeping those countries free of the disease has become increasingly complicated, given the number of countries with outbreaks in the past 2 years. Panama in particular has been the focus of APHIS efforts due to its difficult to control border with Colombia, which, like several other countries in South America, has endemic FMD. The requested increases for Europe and Asia do not relate directly to this goal but take into account the increased difficulties of controlling disease outbreaks given expanded international trade.

(f) An increase of $24,160,000 for the fruit fly exclusion and detection program ($38,990,000 available in FY 2002).

Of this increase, $23,258,000 would fund international activities. APHIS works through the trilateral Moscamed program with Mexico and Guatemala to prevent Medflies from moving northward through Mexico to the U.S. In 1999, there were 180 outbreaks in Mexico which led experts to predict that, left unchecked, the Medfly would have naturally migrated to the U.S. by 2005. Increasing Medfly outbreaks in the U.S. would threaten the

$5 billion per year citrus industry, as well as other crops, especially in California, Florida, and Texas. Recent domestic fruit fly outbreaks have cost APHIS and the affected states an average of $33 million per year to eradicate. The Moscamed Program successfully contained the outbreaks in Chiapas, Campeche, and Tabasco. The program has used bait applications and sterile fly releases in aggressive eradication efforts in Mexico and into Guatemala. The program strategy is to move the Medfly barrier to a more sustainable location at the border of Guatemala with Honduras and El Salvador. This will prevent the further infestation of Mexico which causes costly incursion in the U.S. Moscamed has begun eradication efforts in Guatemala. Moscamed will continue bait application and sterile fly releases in FY 2003 and increase production of sterile flies for use in eradication in Mexico and Guatemala and in domestic emergency programs should they occur. The program is also developing new, more efficient, and more environmentally friendly eradication techniques in response to concerns in Guatemala and the U.S.

This increase also includes $902,000 which APHIS would redirect from the pest detection line item to align fruit fly trapping and detection under one program.

(g) An increase of $1,051,000 for the import/export program ($9,420,000 available in FY 2002).

As international trade expands, the threat of introducing FADs into the U.S. livestock and poultry population increases. This threat, coupled with emerging animal diseases in the U.S. such as West Nile virus, underscore the importance of vigilantly protecting our borders from the entry of potentially devastating livestock and poultry diseases.

For example, the importation of exotic reptiles and amphibians has increased over the past several years. These species are known to harbor ticks which can serve as vectors of FADs such as heartwater. An introduction of heartwater into the United States could threaten up to 50 percent of the cattle population and 90 percent of the deer population and result in an annual economic loss of $762 million. APHIS will spend $725,000 to develop and implement new inspection and identification procedures at U.S. ports-of-entry for qualified personnel to inspect reptiles, amphibians, and pets for ticks, screwworm larvae, and other ectoparasites which harbor FADs. APHIS will hire and place quarantine enforcement officers and personnel trained in handling reptiles and amphibians in the Agency's animal import centers which are located at several of the Nation's busiest airports, including Miami International, JFK International, and Los Angeles International. In addition, APHIS will coordinate a national survey to determine the potential species of exotic ticks, screwworm larvae, and other ectoparasites imported on reptiles, amphibians, and other animals and to analyze the risk to the animal industry. The national survey will focus primarily on states which have the busiest ports, Florida, California, Texas, and New York. APHIS also will develop import and export regulations to prevent the introduction of exotic ticks on reptiles. Currently, there are no requirements to inspect imported reptiles, amphibians, and other animals for ectoparasites. For FY 2003, APHIS expects to inspect approximately 320,000 reptiles and amphibians for import and treat close to 40,000 reptile and amphibian shipments.

In addition, APHIS will spend $326,000 to strengthen its evaluation and risk assessment capabilities to meet international and domestic responsibilities and respond to international and domestic requests for regionalization. Presently, the Agency does not have adequate resources to review and evaluate the requests for regional recognition of animal health status in a timely manner. The Agency's delays in evaluating and responding to these requests has led to resentment and the establishment of non-science based barriers to international trade. In response, APHIS will hire 5 employees to work

exclusively on risk assessments and the evaluation of regionalization requests. This increase supports the APHIS objective to increase the number of new or modified export protocols facilitating U.S. access to new overseas markets by 5, from 62 in FY 2002 to 67 in FY 2003.

(h) A total increase of $277,000 for the Federal Employees' Compensation Act (FECA) program, of which $87,000 is for pest and disease exclusion activities.

The FY 2003 Budget will include language in the General Provisions of the Treasury-Postal Appropriations bill to permit the Department of Labor to add an administrative surcharge to the amount it charges each agency for its FECA benefits.

(i) A total increase of $453,000 for a total FY 2003 need of $15,108,000 for Employee Pension and Annuitant Health Benefits, of which $144,000 is for pest and disease exclusion activities.

The administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

2) A net increase of $48,530,000 for plant and animal health monitoring activities consisting of:

(a) A total increase of $11,550,000 for pay costs, of which $2,325,000 is for plant and animal health monitoring activities, which includes $581,000 for annualization of the FY 2002 pay raise and $1,774,000 for the anticipated FY 2003 pay raise.

This increase will enable APHIS to maintain current staffing levels which are critical to achieving the Agency's objective of protecting American agriculture. Because a large portion of APHIS' budget is in support of personnel compensation, absorbing pay costs would require a reduction in direct program operations and severely limit the Agency's ability to anticipate and respond to issues involving animal and plant health, manage conflicts with wildlife, promote environmental stewardship, and ensure animal well-being.

(b) An increase of $19,333,000 for the animal health monitoring and surveillance (AHM&S) program ($74,921,000 available in FY 2002).

APHIS has established an integrated approach to preventing and monitoring for FADs. While we have been vigilant for years and have successfully prevented many FADs from entering our country, including FMD which has not been found in the United States since 1929, recent disease outbreaks in the United Kingdom and other European countries demand that we accelerate our safeguarding efforts. To continue to keep FADs (both intentional and unintentional) from entering our country, we must enhance inspection activities, animal health assessments, contingency planning, worldwide monitoring and technical assistance, and methods development.

Although FMD does not pose a threat to public health, it does pose a serious threat to the vitality of the U.S. livestock industry, agricultural trade, and the economy. A recent California study suggests that losses from an outbreak of FMD in their State, similar to the outbreak in the European Union, could range from $6 to $13 billion in just 1 month. Disease losses outside the State of California would cause greater losses including increased consumer costs for animal products, reduced productivity of livestock, vaccination costs, and restrictions on international trade in livestock and livestock products.

Bovine spongiform encephalopathy (BSE) has had a substantial impact on the livestock industry in the United Kingdom, with an estimated $6 billion in losses. Worldwide, there have been more than 178,000 cases of this disease since it was first diagnosed in 1986 in Great Britain. While the disease has also been confirmed in native-born cattle in Belgium, Denmark, France, Germany, Ireland, Luxembourg, Spain, and Switzerland, over 95 percent of all cases have occurred in the United Kingdom. Although the number of BSE cases in the United Kingdom are on the decline, confirmed cases have risen in other European countries. BSE has never been detected in the United States, despite 10 years of active surveillance. New control measures in the European continent will cost billions of dollars. The potential impact of a similar situation here in the U.S. has prompted the Agency to request $8,443,000 to enhance our national BSE surveillance program. Current surveillance efforts are not sufficient. By increasing our surveillance efforts in the high risk cattle population, we can confirm our freedom of the disease.

At this funding level, APHIS will enhance its safeguarding efforts against foreign animal diseases, including FMD and BSE. Specifically, APHIS will spend $9,046,000 on FMD/FAD surveillance, with $4,000,000 going directly to the States. The Agency will allocate $8,443,000 for BSE surveillance and laboratory activities, with $3,000,000 going directly to the States. Nationally, APHIS will monitor the current BSE situation worldwide and provide timely and accurate information to its partners and customers. The Agency's BSE team will be upgraded from 1 veterinarian devoted to BSE issues to a team of 3 veterinarians and adequate support staff dedicated to BSE with its own media specialist who will coordinate and communicate national BSE response measures.

APHIS will enhance surveillance at swine garbage feeding operations throughout the country to monitor the presence of FMD, at a cost of $4,000,000, with $2,000,000 going directly to the States. APHIS estimates that there are 2,724 garbage feeding facilities throughout the United States and Puerto Rico, with most of them concentrated in Puerto Rico, Arkansas, Hawaii, and Florida. APHIS will hire 16 inspectors to increase inspections at these facilities.

This program increase will be offset by a reduction of $2,156,000 as a result of shifting program funds and staff years from the AHM&S program to the Emergency Management System (EMS) for the Emergency Programs Staff and associated emergency training. APHIS proposes this shift to align all emergency functions under the EMS program.

With this increase in funding, the Agency will accelerate the surveillance and monitoring component of its overall safeguarding system. This supports one of the Agency's performance goals which is to reduce the severity of pest and disease incidents in the U.S. APHIS expects to meet the performance goal in FY 2002 of conducting 575 foreign animal disease investigations.

(c) An increase of $6,945,000 for the emergency management system ($4,201,000 available in FY 2002).

APHIS has established an integrated approach to preventing foreign animal diseases (FADs) from entering the United States and monitoring for those FADs. While we have been vigilant for years and have successfully prevented many FADs from entering our country, including FMD which has not been found in the U.S. since 1929, recent terrorist activities and outbreaks across the world demand that we accelerate our efforts in the components of our overall safeguarding system. The components of our system include disease preparedness, prevention, and response.

To enhance the disease preparedness component of our system, APHIS will provide technical assistance to foreign countries with FMD and FAD outbreaks, at a cost of $789,000. The Agency will send veterinary medical officers to affected countries to assist with carcass disposal, sample collections, vaccination, and depopulation. This will prepare APHIS veterinarians for similar disease outbreaks should they occur in the U.S. In FY 2001, APHIS sent teams to the United Kingdom and Mongolia to assist with outbreaks of FMD. To enhance the disease response component of our system, APHIS will place 35 emergency managers in selected States, at a cost of $4,000,000, to establish animal health emergency standards, participate in local and State exercises, and assist States with actual animal health emergency events. The placement of these managers will set up the infrastructure for quick response to a disease outbreak involving multiple States. Potentially, APHIS could transfer funds directly to the States to support State employees in a number of these positions. This initiative will also address concerns from the states that we do not have an infrastructure in place to deal with a significant animal health event. These activities support the APHIS objective to increase the number of States and Territories meeting "standards" for State emergency management systems from 10 in FY 2002 to 30 in FY 2003.

This increase includes a $2,156,000 shift from the animal health monitoring and surveillance program to align emergency program activities within a single program. Historically, the $2,156,000 has supported the emergency program staff and training at headquarters within the AHM&S program. The Agency is now proposing to shift these activities and associated funding and staff-years into the emergency management system program which was established in FY 2000.

(d) An increase of $19,779,000 for the pest detection program ($7,174,000 available in FY 2002).

Safeguarding the Nation's agricultural and plant natural resources from harmful or economically significant exotic plant pests is accomplished by implementing a continuum of complementary risk management activities that have the cumulative result of preventing pest establishment. These activities begin with information gathering about pathway risk from offshore sites, and continue with risk mitigation through exclusion and prevention activities, early and timely pest detection , and responding effectively to established populations. An outstanding example of the safeguarding system in action is the U.S. medfly exclusion program. This system includes highly-developed offshore, port-of-entry, detection, and eradication components and has been extremely effective preventing entry and establishment of medfly in the continental United States. The technology and capacity for early detection is fundamental to the success of the entire system, as evidenced by the frequency with which medfly inevitably slips through the port-of-entry exclusion net. This illustrates that the early detection of significant exotic plant pests is a vital component in an overall strategy for preventing potential economic and environmental losses from invasive species. APHIS has consulted with the Entomological Society of America, American Pathological Society, the Weed Science Society of America, and the Society of Nematologists to develop lists of potential exotic plant pests determined to be most threatening to the Nation's agricultural and natural resources. The pests on these lists have been prioritized and the "worst of the worst" are proposed as national targets for early survey detection efforts.

Early detection of recently established populations of invasive species increases the likelihood that timely eradication, or implementation of appropriate management strategies can be deployed to protect resources affected by the problem. Having a strong

national pest detection infrastructure with headquarters/regional staffs and resources will enhance cooperation and support with the National Plant Board (NPB). The NPB, in its Safeguarding Review report issued in July 1999 identified a critical need for a comprehensive invasive plant pest detection system in the United States, and called upon APHIS to exert a leadership role in coordinating these efforts. NPB support is vital as these cooperators have a vested interest in protecting their state's agricultural and natural resources. Their support is vital to ensure that scientifically valid, reliable pest and disease survey data are collected and available on an ongoing basis. In addition, the pooling of State and Federal resources will allow for better leveraging of those resources. Recent outbreaks of Asian longhorned beetle (ALB), citrus canker, plum pox, and Karnal bunt, for example, have highlighted the need for additional efforts to safeguard our nation's agricultural and plant resources from invasive plant pests and diseases.

APHIS requests $21,550,000 to begin implementing a major initiative to increase and enhance the domestic infrastructure for early detection of pests and diseases that gain entry into the U.S. or in an area previously free of that pest or disease. This effort would involve extensive collaborating with and developing effective new partnerships with cooperators and stakeholders (both traditional and nontraditional) to manage pest survey programs at the State and county level. Currently, many States and cooperators do not have the resources to conduct most surveys according to guidelines or at a level adequate to provide early detection of plant pests or diseases. To address these deficiencies, we are requesting $4,100,000 at this level to expand cooperative agreements with all the States for implementation of this comprehensive National survey program.

As a start, we would station approximately 62 personnel trained in pest detection technologies in key locations throughout the U.S. to coordinate and conduct early detection surveys in cooperation with the States, and 10 people within the regions and the headquarters offices to supply the needed strategic planning, coordination, and leadership to the program. These personnel will enhance the goals identified in the Safeguarding Review regarding pest detection and response. They will ensure that harmful, economically significant, exotic plant pests and diseases are detected before they have a chance to become established, which in turn will greatly reduce potential economic and environmental losses and eradication costs. Regulatory or control actions may be required of these employees should detection of an exotic pest occur. These personnel would also provide leadership and guidance to the States in coordinating regional pest projects that are an integral component of our overall pest detection strategy. Identification activities are a crucial part in the success of any pest detection program. As our ability to detect pests becomes greater and more efficient, there is a corresponding increase in the need for prompt and accurate identification. We expect to establish 4 identifier positions with taxonomic expertise to provide timely and accurate identification and confirmation of pests detected. In addition, we expect to cooperate with academic institutions with taxonomic expertise for the identification of specific targeted pests.

The Safeguarding Report also urged the upgrading of pest introduction databases as a critical element in analysis and management of plant pest risk. Therefore, we have included $500,000 to allow us to begin updating and expanding the NAPIS database structure through our cooperative agreement with Purdue University.

At this level, we would invest in timely methods development to ascertain survey methodology concerning new exotic pests for which there is little information, and the gathering of foreign research on pests which could potentially invade the United States. We would also begin developing public awareness tools such as brochures, handouts, and video presentations to better inform stakeholders and the public about exotic pests.

In addition to the above increases, APHIS proposes to shift $1,771,000 out of the Pest Detection line-item. This is comprised of two transfers: 1) $869,000 would be shifted into our Emerging Plant Pests line-item out of Pest Detection, for ongoing Karnal Bunt activities, as part of our attempt to align all emergency program activities under a single line-item. 2) $902,000 would be transferred out of Pest Detection for ongoing domestic Fruit Fly Detection activities ($771,000 for domestic activities and $131,000 for overseas Carambola fruit fly activities). APHIS will fund the same program activities through the Fruit Fly line item as part of our attempt to align all of the fruit fly programs under a single line-item. The goal of this increment is to eradicate the Carambola fruit fly from the South American Countries of Guyana, French Guyana, and Suriname, thereby reducing risk of incursion into the United States.

(e) A total increase of $277,000 for the Federal Employees' Compensation Act (FECA) program, of which $57,000 is for plant and animal health monitoring activities.

The FY 2003 Budget will include language in the General Provisions of the Treasury-Postal Appropriations bill to permit the Department of Labor to add an administrative surcharge to the amount it charges each agency for its FECA benefits.

(f) A total increase of $453,000 for a total FY 2003 need of $15,108,000 for Employee Pension and Annuitant Health Benefits, of which $91,000 is for plant and animal health monitoring activities.

The administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

3) A net increase of $101,034,000 for pest and disease management activities, consisting of:

(a) A total increase of $11,055,000 for pay costs, of which $3,078,000 is for pest and disease management activities, which includes $770,000 for annualization of the FY 2002 pay raise and $2,308,000 for the anticipated FY 2003 pay raise.

This increase will enable APHIS to maintain current staffing levels which are critical to achieving the Agency's objective of protecting American agriculture. Because a large portion of APHIS' budget is in support of personnel compensation, absorbing pay costs would require a reduction in direct program operations and severely limit the Agency's ability to anticipate and respond to issues involving animal and plant health, manage conflicts with wildlife, promote environmental stewardship, and ensure animal well-being.

(b) A decrease of $191,000 for the aquaculture program ($1,166,000 available in FY 2002)

APHIS assists the aquaculture industry by managing aquatic diseases, controlling depredation by wildlife, and facilitating the movement of aquatic animals and products in interstate and international commerce. To accomplish immediate Agency priorities for FY 2003, APHIS proposes a reduction of $191,000 to allow cooperators to assume a larger share of the costs for telemetry and population dynamics studies on depredating species of wildlife in the Southeast.

(c) A decrease of $43,443,000 for the boll weevil program ($80,307,000 available in FY 2002).

The cooperative boll weevil eradication program (BWEP) has been highly successful in reducing and ultimately eliminating losses caused by the boll weevil. By FY 2003, APHIS expects significant acreage to have moved from the more expensive active phase to the weevil-free post-eradication phase. As a result, the program can afford to reduce spending and still provide a 20 percent cost share for active eradication zones. In recent years, loans provided through the Farm Service Agency have fulfilled a critical function in allowing each zone to effectively manage its cash flow. As we move into the final, less costly years of the program, though, the need for these loans will diminish dramatically. The program projects to eradicate boll weevil from all cotton growing areas of the U.S. and northern Mexico by 2005, in cooperation with States, the cotton industry, and Mexico. Through APHIS' continued oversight in active eradication and non-infested areas, we have demonstrated our ability to effectively manage plant pests that threaten agriculture.

(d) A decrease of $1,323,000 for the brucellosis program ($10,217,000 available in FY 2002).

The success of the brucellosis program has been one of APHIS' greatest achievements. When we began the program, one domestic cattle herd out of every eight in the United States was infected. Through a cooperative Federal/State/Industry effort and careful herd management, we are eliminating the last pockets of infection. Presently, 48 States, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands are classified as free of infection. Two States, Missouri and Texas, are in Class A status and should be free by FY 2003. APHIS will continue the brucellosis management program procedures in domestic cattle, swine and bison for 5 to 10 years after eradication to eliminate any undetected disease. This effort will demonstrate to our international trading partners that the U.S. is brucellosis free and that we are continuing to monitor for the disease. As the management program nears completion for domestic cattle, APHIS will begin to eradicate brucellosis from other domestic, captive, and non-captive species.

At this funding level, APHIS will depopulate newly infected cattle herds, carry out activities associated with brucellosis in Yellowstone National Park, and conduct activities in cervids and non-traditional livestock. APHIS will transfer financial responsibility for the Greater Yellowstone Interagency Brucellosis Committee (GYIBC) to the affected States and the operation of the bison quarantine facility to the State of Montana.

(e) An increase of $7,233,000 for the chronic wasting disease program ($0 available in FY 2002).

APHIS proposes to establish a certification and control program for chronic wasting disease (CWD). CWD is a transmissible spongiform encephalopathy (TSE) of deer and elk that has occurred in limited areas in the Western United States. First recognized as a clinical disease in 1967, it is typified by chronic weight loss leading to death. APHIS will enhance the quality, safety, and competitiveness of the U.S. farmed cervid industry by controlling and eliminating CWD from the industry and further protect the industry by assisting with surveillance and disease control activities in free-ranging cervids. In addition to the threat to the farmed cervid industry, CWD poses a potential disease threat to other domestic livestock and humans. Similar to other TSEs, CWD may also result in trade restrictions for U.S. animal exports. For example, Korea and Japan, major

importers of antler velvet from U.S. farmed elk, have already prohibited the import of cervids and cervid products from the U.S. For this reason, the Secretary of Agriculture approved the transfer of $2,618,686 from the Commodity Credit Corporation (CCC) at the end of FY 2001. APHIS will use these funds in FY 2002 to purchase and destroy up to 500 trace back animals and several CWD infected herds. APHIS requests $7,200,000 in FY 2003 to continue this effort.

APHIS will collect samples for diagnostic testing from farmed or free-ranging cervids that are clinically sick and are CWD suspects; from farmed elk that die and are sampled as part of the CWD Herd Certification Program or that are euthanized as part of trace-back or trace-forward efforts; from farmed deer surveillance; and from free-ranging cervids collected in areas that contain positive farmed herds or that are adjacent to the CWD endemic area. Specifically, APHIS will collect samples from 10,000 farmed and 3,900 free-ranging cervids. In addition, APHIS will conduct hunter survey sampling of free-ranging cervids in low risk states at a rate of 2-3 states each year. Testing of free-ranging animals from low risk as well as high risk areas is necessary to assure trade partners and others that we are conducting adequate surveillance and that CWD is not present in free-ranging cervids outside of the endemic area. APHIS will purchase two immunohistochemical stainers to support testing of the increased samples.

APHIS will conduct epidemiologic investigations for any CWD positive herds detected. Investigations will include identification of high risk and exposed animals, recording and mapping of premise locations using geographic positioning system technologies, and development of herd plans for source, or trace herds. APHIS also will assist in epidemiological investigations of free-ranging cervids which may pose a risk to farmed animals. APHIS will develop a database to contain disease information gathered in the certification program and the epidemiologic investigations. APHIS will use information from the database to update the CWD herd status web page daily. APHIS will need to purchase geographical information system equipment for mapping such as handheld computer units and software to inventory animals as part of the herd certification program. The information entered into the handheld units will be linked directly to the database. APHIS expects to conduct at least 6 1-week investigations.

In addition, APHIS will provide educational services to the industry, producers, and scientific and regulatory community through informational presentations. These efforts will increase awareness of CWD and the other TSEs. Educational activities also will encourage enrollment in the CWD Herd Certification Program, improve understanding and compliance with the program standards, and enhance reporting by accredited veterinarians, owners, and others through a greater awareness of the clinical signs and course of the disease. APHIS also will provide training to field veterinarians on appropriate sample collection techniques in support of the herd certification program.

The Agency also will fund developmental studies and field sample collection. Field samples will be collected in support of developmental study efforts including development and improvement of antemortem and postmortem diagnostic tests, reagents, and methods and validation of the tests. APHIS intends to work with researchers to help validate the use of live animal tests for certification of herds, detection of infected herds, and as a tool for use in herd cleanup plans. The results from these developmental studies will answer crucial questions needed for program success. Proposed projects include investigation of the potential role of semen, ectoparasites, and feces in the spread of the disease and the investigation of suitable methods for cleaning and disinfection of premises. APHIS will also conduct an annual review of the CWD herd certification program to incorporate new test methods or other improvements to better accomplish the

program goals. Program officials also will perform an annual review of animal movement restrictions and alter the restrictions as needed. APHIS expects to conduct 3 sample collection efforts and fund 2 to 3 developmental studies.

APHIS also will provide indemnity payments for animals euthanized as part of the certification program. APHIS expects to pay up to $3,000 per animal; farmed elk range in price from approximately $1,000 to $35,000 or more depending on age, gender, and genetics. Adequate indemnity is necessary to encourage early participation and removal of infected animals or herds.

This increase will support the Agency's goal of enhancing the quality, safety, and competitiveness of the U.S. farmed elk industry by controlling and eliminating CWD. For FY 2003, APHIS expects that all states with a potential presence of CWD will participate in the program.

(f) An increase of $83,406,000 for the emerging plant pests (EPP) program ($46,649,000 available in FY 2002).

This increase is comprised of $50,275,000 to continue the citrus canker eradication program in Florida and $32,262,000 to continue the Asian Longhorned Beetle (ALB) eradication program in New York State and Illinois.

The $50,275,000 increase proposed for citrus canker would supplement the $13,701,000 in the EPP base for total citrus canker funding of $63,976,000. This increase includes funding for the following components of the emergency program in an ongoing effort to eradicate citrus canker infestations and prevent future introductions: Statewide residential survey (SRS); Statewide regulatory, control, and management (SRCM); technology enhancement; and activities conducted by the State through a cooperative agreement with APHIS. The funds requested would enable APHIS to cooperate fully with the State of Florida in an ongoing, all-out effort to eradicate citrus canker infestations and prevent future introductions.

Once a residential area undergoes two consecutive years of negative SRS surveys, it will be considered eradicated and progress into the Sentinel Barrier Survey Program (SBSP), which will cover all residential properties within the citrus-producing areas of Central and Southern Florida. In the SBSP, selected properties will be labeled "sentinel properties" and surveyed every 60 days. The survey will be heavily biased toward residential areas near commercial citrus production areas and will follow a cycle that reflects the risk present. This program will prevent further spread outside the existing quarantines in Dade, Broward, and Palm Beach Counties. The SRCM program consists of general survey, as well as Statewide control and regulatory activities. The program continues to remove infested and exposed trees quickly to prevent further spread where legally allowable. Although sporadic detections of canker are occasionally made in commercial citrus groves, the rate of these finds has lessened. In addition, the program's aggressive response to these finds has prevented further spread northward and precluded the need to extend quarantine boundaries into Palm Beach County. To address technology enhancement, APHIS will nurture partnerships with the Agricultural Research Service (ARS) and State scientists and regulatory officials that will accelerate the availability of solutions to canker epidemiology, detection, control, and eradication efforts. APHIS' investment in technology enhancement is integral to developing a permanent, cost-efficient resolution to the infestation. The cooperative agreement funds tree removal

and commercial grove surveys. These surveys involve examining various types of fruit in order of their susceptibility and potential to increase inoculum. Given the threat posed by citrus canker, it is critical to survey all production areas to confirm the extent of the disease and assure continued certification of fresh fruit to important trade markets.

Thus far, APHIS and the FDACS have excluded this devastating disease from most of Florida's commercial citrus-producing areas. However, vigilance must be maintained to ensure that no program progress is lost. The requested increase will enable the cooperative program to prevent citrus canker from spreading to uninfested areas and threatening Florida's $8.5 billion citrus industry, which employs 121,000 workers and represents nearly 80 percent of U.S. citrus production. Conversely, the establishment of this disease in Florida would have a profoundly detrimental impact on citrus production systems nationwide and losses in sales would total an estimated $200 million per year. The combined potential effect on yield and market loss in Florida, assuming widespread disease, is an estimated at $500 million annually.

The $32,262,000 increase proposed for ALB would supplement the $20,004,000 in the EPP base for a total ALB funding level of $52,266,000. This requested increase consists of $20,335,000 for control activities (including tree removal); $10,540,000 for surveys to determine the beetles' scope and regulatory activities to prevent the movement of infested wood products or nursery stock to other States; and $1,387,000 for technology enhancement activities. Control activities involve a combination of biological, cultural and chemical methods, and treatments to eliminate the pest. Surveys determine the size of the outbreak, as well as sites requiring regulatory and control activities. Regulatory activities prevent the artificial spread of the ALB out of infested areas and - at entry ports - prevent reintroduction from foreign sources. APHIS' technology enhancement activities will consist of survey, regulatory and exclusion, control , and eradication and program management components. Visual survey methods and technology can be enhanced based on understanding ALB dispersal and behavior and host location mechanisms, developing a trapping system, employing acoustic detection technologies, and optimizing survey systems to detect and delimit ALB populations. The regulatory component is designed to develop technology to minimize the risk of ALB introductions into uninfested areas. Through the control component, the program will evaluate insecticides for their efficacy against ALB, evaluate biologically-based controls, evaluate tree species resistance, and develop rearing systems. The eradication and program management component enables the program to effectively track and prioritize program operations.

The program goal is to eliminate the ALB from the U.S. and prevent future introductions without jeopardizing the $116 billion trade market between the U.S. and China. Since the program began in FY 1997, APHIS has drastically reduced ALB populations in areas that had been heavily infested and the tree removal effort has made outstanding progress. However, the beetle continues to spread in metropolitan areas and infested trees continue to be found in the regulated areas. The program expects to find additional infested trees which will require removal or treatment to destroy any pest life stages present. Replacement of removed trees--at a cost of at least several hundred dollars per tree--will help restore the environment and maintain public support for the program. The program plans to achieve eradication in IL in 2008 and in NYS in 2009. But without our continued diligence, the ALB will spread to many other areas, potentially causing billions of dollars in damage. According to a FS/APHIS study, the estimated potential national impact of ALB infesting the urban environment across the U.S. is a loss of about 35 percent of the canopy cover, 30 percent of the trees (1.2 billion trees), and $669 billion dollars in replacement value. If the ALB is allowed to spread unabated, it has the potential to cause more damage than Dutch Elm disease, chestnut blight, and gypsy moths

combined. If the pest becomes widely established, damage could ultimately reach $41 billion in losses to forest resources nationwide (source: USFS State and Private Forestry). APHIS would redirect $869,000 in Karnal Bunt national survey funds from the Pest Detection line item to the EPP line item.

(g) A decrease of $197,000 for golden nematode activities ($860,000 available in FY 2002).

In FY 2002, APHIS used additional funds to replace obsolete equipment, make repairs to an aging facility at Westhampton, New York, and increase the level of survey for the recently discovered RO2 strain of golden nematode. We will continue to carry out regulatory activities, survey, and control of the pest, but will ask New York State to increase its share of program costs to maintain progress in preventing spread and support development of potato varieties resistant to both the newly discovered RO2 strain as well as the RO1 strain.

(h) An increase of $4,219,000 to establish a grasshopper program. ($0 available in FY 2002)

Grasshopper and Mormon cricket outbreaks continue to challenge land managers across Federal, tribal, State, and private rangelands. The last several years have seen an erosion of APHIS' ability to effectively predict and suppress grasshopper and Mormon cricket populations on rangeland. Congress has not appropriated funds for this program since FY 1993. All no-year reserve funds were exhausted in FY 1997. This lack of permanent, baseline funding has forced the Agency to utilize contingency funds intended for small scale emergencies to cover grasshopper survey and management operations. The temporary and uncertain nature of contingency funds does not allow for the stability necessary to ensure a level of program survey and planning to effectively protect rangeland from these devastating pests. This has also helped bring about a gradual erosion of experienced staffing in the field, hampering APHIS' ability to quickly respond when pest levels warrant.

APHIS proposes to re-establish a proactive program to better predict and control grasshopper and Mormon cricket infestations in the Western States. With the funds, we would hire permanent staff to increase and expand the survey effort, conduct methods development, and provide training in grasshoper suppression strategies. The proposed funding would also allow the required environmental documentation to be completed, so that potential environmental effects of grasshopper control programs could be evaluated and addressed. Since 1934, USDA has helped protect rangeland and cropland from destructive populations of grasshoppers.

(i) A decrease of $747,000 for imported fire ant activities ($2,982,000 available in FY 2002).

In FY 2002, APHIS increased cooperative funds provided to the States for additional surveillance, compliance, and enforcement of the Federal IFA quarantine. APHIS will continue to work to prevent further IFA spread in FY 2003 by enforcing the Federal quarantine and cooperate with infested States to regulate articles capable of spreading the pest such as nursery stock and soil-moving equipment, but will expect the States to assume a larger share of the program cost. The production, field release, and evaluation of promising biological control agents will continue.

(j) A decrease of $123,000 for noxious weeds activities ($1,306,000 available in FY 2002).

APHIS is using the increased funding provided in FY 2002 to provide support for local activities aimed at increasing the availability and distribution of biocontrol organisms to be used in an integrated weed management system in association with the Nez Perce Bio-Control Center in Idaho. Program successes will allow us to focus limited funding increases, especially in the area of safeguarding and biosecurity.

(k) A decrease of $257,000 for the pink bollworm program ($2,003,000 available in FY 2002).

Program successes and efficiencies will allow APHIS to reduce the additional pink bollworm (PBW) activities begun in FY 2002 to support sterile moth release in the San Joaquin Valley (SJV) in California. Despite this decrease, the program will still sufficiently protect cotton and control the PBW population in the SJV through the cooperative sterile release program, as well as cultural practices (crop rotation, stalk destruction, alternate planting dates, and irrigation restrictions). In addition, the program continues to improve rearing efficiency and maintain production using less diet material, thereby reducing cost and enabling the program to withstand a slight decrease.

(l) An increase of $5,551,000 for the plum pox program ($0 available in FY 2002).

PPV is indigenous to Europe and causes an extremely serious disease affecting several stone fruit species. Fruit production from infected trees is severely reduced, and any fruit produced is often blemished. The virus also can cause premature fruit drop. Because infected trees cannot be treated, only destroyed, the key control method is preventing introduction. The disease is spread over short distances by several aphid species, and over longer distances through the movement of infected budwood and nursery stock.

PPV was confirmed in Pennsylvania peaches in October 1999, and appears to be confined to portions of Adams County and adjacent Cumberland County. Subsequent surveys near the initial infestation indicated that PPV existed in at least 18 orchard blocks within a 4-mile area. In January 2000, the Secretary declared an extraordinary emergency for Adams County. In FY 2000, APHIS and the Pennsylvania Department of Agriculture (PDA) began a cooperative eradication program consisting of survey, control, and regulatory activities. This program has been highly successful in removing all known infected trees from 890 acres and taking proactive measures to reduce the disease's spread. In doing so, the program has been able to assure stone fruit growers that PPV does not currently exist in the U.S. nursery system. However, accelerated program activities will need to continue to verify eradication and protect to our country's $1.8 billion stone fruit industry. Without continued cooperative efforts, the disease will likely spread to all areas of the U.S which produce host crops. This would cause substantial losses to producers and to industries that transport, process, or otherwise use this fruit. Consumers would face reduced quantity and quality of fruit available, and increased prices.

The requested funding will allow APHIS to continue the emergency eradication program begun with CCC funds. This request consists of $2,280,000 for national survey activities, which would be directed toward highest risk States, such as California, Maryland, Michigan, New York, and Texas; $1,790,000 for intensive survey and regulatory activities in Central Pennsylvania; and $1,481,000 to expand the scientific technology enhancement effort at the National Plant Germplasm Quarantine Center in Beltsville, Maryland.

This increase will enable APHIS to progressively reduce the total number of acres infested with Plum Pox. By FY 2003, we estimate that only 50 infested acres will remain in the eradication program. APHIS must continue national surveys--particularly in producing orchards--to minimize the amount of inoculum available for spread to non-infected orchards. Our surveys will provide a complete picture of the disease's distribution and identify other areas where the disease may exist. These surveys are critical in persuading U.S. trading partners that the distribution and source of the virus have been determined. Otherwise, they may not accept stone fruit from the United States. The intensive surveys are designed to detect any additional infestations near the current infested area, in the adjoining three counties in Pennsylvania and two in Maryland, and stone fruit production areas in the rest of Pennsylvania, Maryland, New Jersey, Virginia, and West Virginia. The regulatory activities are designed to prevent PPV movement to non-infected areas where host material is likely to exist. APHIS and the PDA will share survey and regulatory activities. APHIS will also use the technology enhancement funds for facility maintenance services, supplies, and equipment to maintain a high containment facility, which is crucial to the PPV eradication effort. The program will conduct the necessary confirmatory tests for new finds, type the finds to strain, and act as a back-up to the State-operated labs. In addition, APHIS will establish laboratory testing standard operating procedures and quality control protocols, and ensure State laboratories conducting routine PPV diagnostic tests meet established quality control standards. Laboratory testing for PPV identification is a critical element in the survey program because infected plant material cannot be reliably identified based on visual symptoms. The PPV is a high-risk exotic pathogen and can only be examined in a high-containment laboratory and/or greenhouse.

(m) An increase of $19,295,000 for the scrapie program ($3,263,000 available in FY 2002).

To protect the multi-million dollar U.S. sheep industry, APHIS began an accelerated eradication program in FY 2000 using CCC funds, to eliminate scrapie from the sheep population of the United States over a 7-year period.

In FY 2003, APHIS will continue to operate under the accelerated program. An increase in funding will allow APHIS to meet the performance goal in FY 2003 of 170 flocks certified scrapie free through the Scrapie Flock Certification Program. This funding level will allow APHIS to conduct 63,700 live animals tests resulting in the identification of 300 to 600 scrapie suspects. Approximately $7,595,000 will be used for the following activities: expanding laboratory diagnostic capacity; slaughter and live animal surveillance tests; carcass removal; testing of exposed animals; contracting with other laboratories for testing; and support for industry education efforts.

APHIS will use approximately $2,000,000 for animal identification and regulatory enforcement needed to trace back positive animals. In addition, APHIS will use $8,400,000 for indemnification. The regulations which will allow the Agency to indemnify owners of sheep and goats was published on August 21, 2001 and finalized on September 20, 2001. We will use animals to accelerate the validation of the live animal tests, to further evaluate the best test and tissue for slaughter surveillance, and to evaluate genetic resistance as an eradication tool. The indemnification of scrapie-infected animals will provide funds for high risk animals and an economically viable means for small farmers to participate in flock cleanup plans.

APHIS will also review State programs to determine if a State's interstate movements of sheep and goats should be further restricted. The Agency will use $1,300,000 for cooperative agreements with States to support their efforts to assist producers in meeting intrastate and interstate identification requirements, to monitor and enforce compliance with these requirements, and provide assistance to States with implementing the scrapie eradication program.

(n) An increase of $10,724,000 for the tuberculosis program ($9,141,000 available in FY 2002).

To protect the multi-billion dollar cattle industry, APHIS began an accelerated bovine tuberculosis emergency program in FY 2001 to address several newly identified threats. These newly identified threats included increasing numbers of infected wildlife and farmed cervid species; inadequate national surveillance as it relates to international trade needs; and the continuing threat posed by large infected dairy herds in Texas. Under the accelerated program, APHIS expects to eradicate the disease over the next 4 years. To fund the first year of the program, the Secretary approved the transfer of $60,400,000 from CCC. Of this amount, APHIS will spend almost $44 million to purchase infected, exposed, and high-risk dairy herds in the El Paso milkshed area of Texas, the last large reservoir of bovine tuberculosis in the Nation's cattle population. The elimination of these dairy herds will create a buffer zone in the El Paso area to protect the U.S. cattle population. The remaining CCC funds allowed APHIS to enhance surveillance and testing; support research; and assist Mexico with its eradication efforts. In FY 2002, APHIS received an additional $3,200,000 to continue the accelerated effort. APHIS will focus on addressing tuberculosis in Michigan's infected wildlife population with these funds.

For FY 2003, APHIS proposes an increase of $10,724,000 to continue the accelerated effort into FY 2003. Of the $10,724,000, APHIS will devote $1,600,000 to depopulate more than 1,000 infected and exposed animals in Michigan and in other States. APHIS will use $4,100,000 to enhance diagnostic testing nationwide. The Agency's National Veterinary Services Laboratory (NVSL) expects to process 11,000 surveillance samples and 4,500 diagnostic samples in FY 2003. NVSL will develop more sensitive and diverse testing methods for tuberculosis, particularly in emerging livestock species. APHIS will use $1,000,000 to conduct reviews and risk assessments for domestic and international regionalization requests, and assist Mexico with eradicating tuberculosis in Juarez and other areas adjacent to the United States. Also, APHIS will use $1,000,000 to continue research, control, and surveillance in wildlife, captive cervidae, and zoos of the United States. In addition, the Agency will use $3,024,000 to continue enhanced surveillance at the major slaughter plants, in high-risk cattle herds throughout the United States, and in wild cervids killed during hunting season. As part of the enhanced surveillance effort, APHIS will provide training on the techniques of tuberculin testing for accredited veterinarians, and state and federal personnel and will conduct 400 epidemiologic investigations. This increase supports the APHIS objective of eventually having all 50 States and Puerto Rico and the U.S. Virgin Islands in accredited tuberculosis- free status. For FY 2003, APHIS expects to have 50 states and territories in accredited tuberculosis-free status and one state, Michigan, in accredited modified status. The remaining state, Texas, will be in split-state status.

(o) A net increase of $13,603,000 for wildlife services operations activities ($54,119,000 available in FY 2002)

APHIS' goal is to protect agricultural resources, natural resources, human health and safety, and property from wildlife damage. We provide leadership in managing wildlife conflicts. Wildlife is an important public resource greatly valued by the American people. By its very nature, however, wildlife is a highly dynamic and mobile resource that can move quickly between Federal and private lands, can damage agricultural and industrial resources, pose risks to human health and safety, and affect other natural resources. APHIS helps resolve problems that occur when human activity and wildlife conflict with one another.

APHIS will use $8,225,000 to provide an effective response to control FMD in wild animal populations in the U.S. APHIS will coordinate with Federal, State, and local wildlife, agriculture, and health agencies to implement wildlife damage management activities that will prevent the spread of this disease. In conjunction with these other agencies (e.g., the U.S. Fish and Wildlife Service, and State wildlife agencies, State animal health commissions), APHIS will implement a wildlife surveillance program to sample cloven-hoofed wild animals (including feral swine, deer, and elk), and also will sample birds and rodents for presence of the virus. In addition, APHIS will develop strategies for determining wildlife population abundance and indexing wildlife populations to ascertain the effectiveness of control methodologies; develop strategies for separation of wildlife and domestic livestock; and, develop effective methods to maximize control efforts.

With $1,636,000, APHIS will fully implement the recommendations of the Aviation Safety Review Committee and ensure the safety of our aerial operations program. We must complete the committee's recommendations by December 2002; otherwise we face the consequences of grounding the operations or jeopardizing employee safety. All Agency and contract aerial operations will parallel Federal Aviation Regulations and Standards, which include mandatory safety, training, and maintenance personnel; written and approved operations and training manuals; hazardous materials training; specific aircraft maintenance and modification standards; and specific requirements for aerial crew training and check rides. We will complete converting piston engine helicopters to turbine engines and modify Agency-owned aircraft. Aerial operations are critical to oral rabies vaccination, predation management efforts including those mandated for wolves, migratory bird surveys, and control programs to protect threatened and endangered species. APHIS' first priority is to ensure employee safety while conducting these activities.

APHIS will use $13,702,000 to cooperate with regionally coordinated oral rabies vaccination (ORV) efforts in Alabama, Florida, Georgia, Kentucky, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Vermont, Virginia, and West Virginia. APHIS cooperates with the departments responsible for public health, agriculture and wildlife, eastern Canadian Provinces, the Mexican border States, the Canadian Food Inspection Service, the Centers for Disease Control and Prevention's (CDC) Rabies Section, universities, and others to apply ORV strategies best suited to contain the spread of raccoon rabies in the eastern North America. APHIS also will continue involvement in an ORV program with the Texas Department of Health and others to contain the spread of coyote and gray fox strain of rabies in Texas; with Arizona to delineate the distribution of a unique strain of gray fox rabies and identify ORV measures to control this outbreak; and with western States, such as Wyoming and California, to contain the spread of skunk

rabies. In addition, APHIS will continue to work with the University of Puerto Rico, CDC's Rabies Section, Pan American Health Organization, and others to determine the feasibility of using ORV to control a variant of rabies unique to the exotic small Indian mongoose in Puerto Rico. This additional funding will help APHIS achieve the FY 2003 annual performance target of reducing the number of confirmed canine rabies strain cases in orally vaccinated areas of Texas by 100 percent.

The Wildlife Services Operations program uses a combination of Federal and cooperative funding to prevent and reduce wildlife damage primarily to agricultural and natural resources as well as to human health and safety. To accomplish immediate Agency priorities for FY 2003, the budget proposes a reduction of $9,960,000 to allow cooperators to assume a larger share of the cost of wildlife management programs such as predator damage to livestock throughout the U.S., migratory bird damage to crops, invasive species damage, property damage, and protecting threatened and endangered species.

(p) A total increase of $277,000 for the Federal Employees' Compensation Act (FECA) program, of which $79,000 is for pest and disease management activities.

The FY 2003 Budget will include language in the General Provisions of the Treasury-Postal Appropriations bill to permit the Department of Labor to add an administrative surcharge to the amount it charges each agency for its FECA benefits.

(q) A total increase of $453,000 for a total FY 2003 need of $15,108,000 for Employee Pension and Annuitant Health Benefits, of which $127,000 is for pest and disease management activities.

The administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(4) A net decrease of $679,000 for animal care activities consisting of:

(a) A total increase of $11,055,000 for pay costs, of which $452,000 is for animal care activities, which includes $113,000 for annualization of the FY 2002 pay raise and $339,000 for the anticipated FY 2003 pay raise.

This increase will enable APHIS to maintain current staffing levels which are critical to achieving the Agency's objective of protecting American agriculture. Because a large portion of APHIS' budget is in support of personnel compensation, absorbing pay costs would require a reduction in direct program operations and severely limit the Agency's ability to anticipate and respond to issues involving animal and plant health, manage conflicts with wildlife, promote environmental stewardship, and ensure animal well-being.

(b) A decrease of $1,227,000 for animal welfare activities ($15,929,000 available in FY 2002).

APHIS is using the additional funds provided in FY 2002 to hire, equip, train, and station new inspectors in key areas of the United States to identify Animal Welfare Act deficiencies. The funding will also be used to replace a backlog of vehicles and equipment that are overdue for replacement among the existing field force. Once these one-time costs for recruitment, equipment, and training are completed, we will be able to carry out inspections at a satisfactory level in FY 2003 with reduced funding.

(c) An increase of $67,000 for the horse protection program ($421,000 available in FY 2002).

APHIS requests an increase to raise Horse Protection funding to a level approaching the full $500,000 authorized in the Horse Protection Act. With the additional funds, APHIS would continue progress in the program with the aim of reducing the percentage of inspected horses that exhibit signs of soring on the forelegs to 38 percent in FY 2003, compared to 39 percent in FY 2002. We would conduct more audits of deficient Designated Qualified Person programs, monitor more horse shows, and expand training for both industry and APHIS inspectors. The Agency would facilitate more USDA-Horse Industry Organization meetings to assure industry self-regulation is progressing towards eliminating the inhumane practice of soring horses. In addition, funds would be directed toward developing better methods for detecting soring, in response to more sophisticated means of soring being used by violators.

(d) A total increase of $277,000 for the Federal Employees' Compensation Act (FECA) program, of which $11,000 is for animal care activities.

The FY 2003 Budget will include language in the General Provisions of the Treasury-Postal Appropriations bill to permit the Department of Labor to add an administrative surcharge to the amount it charges each agency for its FECA benefits.

(e) A total increase of $453,000 for a total FY 2003 need of $15,108,000 for Employee Pension and Annuitant Health Benefits, of which $18,000 is for animal care activities.

The administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(5) A net increase of $11,220,000 for scientific and technical services consisting of:

(a) A total increase of $11,055,000 for pay costs, of which $1,970,000 is for scientific and technical services activities; which includes $493,000 for annualization of the FY 2002 pay raise and $1,477,000 for the anticipated FY 2003 pay raise.

This increase will enable APHIS to maintain current staffing levels which are critical to achieving the Agency's objective of protecting American agriculture. Because a large portion of APHIS' budget is in support of personnel compensation, absorbing pay costs would require a reduction in direct program operations and severely limit the Agency's ability to anticipate and respond to issues involving animal and plant health, manage conflicts with wildlife, promote environmental stewardship, and ensure animal well-being.

(b) An increase of $2,854,000 for APHIS Information Technology Infrastructure, (formerly Integrated Systems Acquisition Project or ISAP), ($1,748,000 available in FY 2002).

The APHIS Information Technology Infrastructure (AITI) is the hardware, software, and telecommunications system that provides the Agency with Internet access, e-mail communication, office automation, operation of mission critical applications, and other technologies that promote the rapid dissemination of information among employees and with cooperators and stakeholders. The Agency infrastructure is integral to collecting, analyzing, and sharing information used in safeguarding and marketing U.S. agricultural resources. The infrastructure provides rapid access to vital regulations, program information, and services for APHIS employees and customers worldwide. With $2,854,000, APHIS would fully maintain the existing information technology

infrastructure in a "steady state" mode by funding maintenance contracts on the existing server/telecommunications infrastructure and on Agency software licenses; acquiring limited network engineering support to ensure the network performs adequately; maintaining a depot of network equipment components to rapidly replace equipment at sites that experience failure; and conducting a security analysis to protect the system from cyber attacks. Maintenance contracts provide for rapid repairs to equipment that breaks down, access to technical support from vendors, and upgrades to new releases of software. In addition, APHIS will use this increase to expand the capacity of the AITI to accommodate anticipated program and external requirements by providing additional server, storage and network capacity. Some of these requirements include expanded use of existing systems and applications, new program applications, and eGovernment initiatives.

(c) An increase of $985,000 for the veterinary biologics program ($12,553,000 available in FY 2002).

APHIS protects the multi-billion dollar U.S. Livestock and Pet industries by preventing the production, distribution, and importation of worthless, contaminated, or harmful products. APHIS does this by regulating highly competitive industries that use microbiological techniques to develop a new array of sophisticated products. APHIS has the task of ensuring product safety and effectiveness without hindering development of beneficial products for American agriculture.

Static funding and increased operating costs for energy and maintenance have eroded the program's basic ability to address emerging equipment and activity needs. An increase of $553,000 will allow APHIS to replace a limited amount of critical equipment and participate in international harmonization activities with the European Union in confidence building under a Mutual Recognition Agreement and post-marketing surveillance. APHIS will develop licensing requirements for naked DNA as well as guidelines for the use of in vitro assays for inactivated products to reduce animal testing. An increase of $432,000 will allow APHIS to increase inspection activities; produce new testing aids; design and develop an expanded vaccinovigilance program; facilitate review of licensing submissions from the regulated industry; and maximize and optimize hardware, software and database usage.

This level of funding supports the Agency's performance goal to increase public confidence in the safety and efficacy of veterinary biologics. APHIS expects to increase the number of animal diseases for which there are licensed products from 200 in FY 2002 to 204 in FY 2003.

(d) An increase of $5,131,000 for the veterinary diagnostics program ($19,331,000 available in FY 2002).

APHIS has established an integrated approach to preventing FADs from entering the U.S. and monitoring for those FADs. While we have been vigilant for years and have successfully prevented many FADs from entering our country, including FMD which has not been found in the U.S. since 1929, recent outbreaks across the world demand that we accelerate our efforts in the components of our overall safeguarding system.

In response to the proposed increased surveillance for FMD and FADs, APHIS will use $2,300,000 to cover increased testing at the Agency's Foreign Animal Disease Diagnostics Laboratory (FADDL) in Plum Island. APHIS expects to increase the FMD samples tested by more than 200 percent in FY 2003. Tests on these samples include

virus isolation, virus neutralization, antigen capture ELISA, PCR, and serum neutralization. APHIS will hire 10 microbiologists/pathologists and 10 biological science technicians to handle the increased testing.

In addition, APHIS requests $1,100,000 to establish a dedicated quality assurance proficiency/laboratory approval section to enhance our efforts to support trade and prevent the introduction of FADs. We anticipate that within the next several years, the laboratory must be accredited to ISO 17025. This new section will assure that our international diagnostic results are accepted by our trading partners in support of product export and disease exclusion. NVSL must provide new and improved proficiency testing programs as it progresses toward accreditation. To meet these requirements, we will need to triple current proficiency test kit production, which will require 6 additional staff years. Also, APHIS will replace obsolete equipment, necessary for ongoing laboratory services, with state-of-the-art technology which will allow us to more rapidly and accurately process diagnostic samples.

In addition to supporting the Agency's veterinary disease prevention, detection, control, and eradication programs, this program provides diagnostic assistance to the livestock and poultry industries to protect the Nation's animal health. The Agency's NVSL fulfill this role by conducting diagnostic testing and providing diagnostic reagents.. Specific support to the poultry industry includes conducting diagnostic testing and reagent production for Avian influenza (AI), serotyping of salmonellas, and phage typing of *Salmonella enteritidis*. Program officials estimate that an outbreak of a significant poultry disease such AI could result in millions of dollars in loses to the $17 billion US poultry industry. The AI outbreak in the mid-80's resulted in more than $72 million in losses to producers and cost the Agency $64 million to control. The majority of losses resulted from trade restrictions and the loss of international markets. In recent years, poultry exports have increased. The poultry industry is more sensitive to economic and political changes worldwide because of its increased reliance on export markets. The sudden loss of any major market would be a significant blow to the industry.

As a result of our intensified efforts to protect the Nation's animal and poultry populations from disease, and the expansion of exports, NVSL has had to conduct more tests and produce more reagents. APHIS requests $1,731,000 to cover the costs of these activities which will provide support to the National Poultry Improvement Plan (NPIP) and the poultry industry. NVSL will serotype approximately 16 thousand salmonella isolates, the majority of which are from poultry, and produce about 4.4 thousand antigen/antiserum test kits for AI. NVSL will also conduct 654 thousand tests from shipped AI reagents. This funding is essential in providing continued support to the poultry industry as well as addressing related food safety issues in other animals that are of concern to the general public.

This increase supports the Agency's goal of providing laboratory diagnostic service, products, and training to support animal health and animal disease surveillance, prevention, control, and eradication programs. In addition, it is consistent with the Agency's objective of conducting repeat peer reviews which show improvement. To measure the effectiveness of the program, scientists representing private industry, academia, and the U.S. government as well as foreign countries will conduct peer reviews. These scientists will select specific diseases for review based on their animal health significance and economic impact on American agriculture. The accompanying peer reviews will use baseline laboratory standards as set forth by the Office of International Epizootics (OIE). For FY 2003, APHIS expects to repeat 1 peer review which was previously conducted. This peer review is expected to show improvement.

(e) An increase of $164,000 for wildlife services methods development activities ($15,824,000 available in FY 2002).

APHIS' goal is to develop methods or technologies to aid in the detection or management of pests, diseases, and wildlife damage. APHIS provides additional methods for wildlife damage management that are effective, biologically sound, and socially acceptable. This request provides for facilities support essential to conduct methods development activities.

The National Wildlife Research Center (NWRC) requires adequate resources to maintain and operate the new NWRC research and methods development facilities in Fort Collins, Colorado, and at field stations in Logan, Utah; Olympia, Washington; Gainesville, Florida; and Starkville, Mississippi. NWRC must divert resources from research projects, most of which are non-lethal studies, to fund operations and maintenance of new research facilities. Basic operating costs, such as utilities and maintenance services, are requiring more of the research budget. Also, unforeseen costs have taken priority. Additional staff is necessary to supervise the physical plant and care for animals in the holding facilities and laboratories.

(f) A total increase of $277,000 for the Federal Employees' Compensation Act (FECA) program, of which $43,000 is for scientific and technical services activities.

The FY 2003 Budget will include language in the General Provisions of the Treasury-Postal Appropriations bill to permit the Department of Labor to add an administrative surcharge to the amount it charges each agency for its FECA benefits.

(g) A total increase of $453,000 for a total FY 2003 need of $15,108,000 for Employee Pension and Annuitant Health Benefits, of which $73,000 is for scientific and technical services activities.

The administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(6) A total increase of $11,055,000 for pay costs, of which $7,000 is for contingency funds, which includes $2,000 for annualization of the FY 2002 pay raise and $5,000 for the anticipated FY 2003 pay raise.

This increase will enable APHIS to maintain current staffing levels which are critical to achieving the Agency's objective of protecting American agriculture. Because a large portion of APHIS' budget is in support of personnel compensation, absorbing pay costs would require a reduction in direct program operations and severely limit the Agency's ability to anticipate and respond to issues involving animal and plant health, manage conflicts with wildlife, promote environmental stewardship, and ensure animal well-being.

Additional note: The costs of responding to plant and animal infestations has grown significantly in recent years, and in FY 2001 include $335 million in transfers from CCC to APHIS, as well as funding directly appropriated. For most of these efforts the Federal government ends up paying a significant portion of costs, as much as 95 percent. While USDA recognizes that the Federal government and taxpayers have a significant role to play, there are other interested parties who currently benefit from these largely Federal efforts that need to join a cooperative effort. These include State and local governments, and industry, including affected producers. Therefore, the Office of Management and Budget and USDA, concerned about the rising cost of emergency pest and disease control, expect to seek comment before the end of the year on ways to share the costs with States and the private sector.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Summary of Increases and Decreases - Proposed Legislation

	2003		
	Current Law	Program Changes	President's Request
Animal Welfare Inspection User Fees	$15.172.000	-$5.167.000	$10.005.000
All Other	767.055.000	-	767,055.000
Total Available	782.227.000	-5.167.000	777.060.000

Explanation of Proposed Legislation: 1/

Animal Welfare Inspection User Fees. This proposal would permit fees collected from entities and/or individuals regulated under the Animal Welfare Act (AWA) to be credited to the accounts that incur the costs and remain available until expended without fiscal year limitations. Under existing law, license fee collection under AWA are deposited as miscellaneous receipts into a Treasury account which is not directly accessible to APHIS. We believe these funds should be made available to the program to offset a portion of the cost. The licensing fee for a dealer is based on the individual's gross business income from this activity, and is currently established at between $30 and $750 annually. This licensing fee for an animal exhibitor is based on the number of animals the exhibitor owns, holds, or exhibits and is currently established between $30 to $300 annually.

APHIS will also seek authority to charge fees on facilities and establishments required to be registered under the AWA but which are not currently subject to a fee. The latter category includes research facilities, carriers, and in-transit handlers of animals. It will allow APHIS to provide inspection services appropriate to a level consistent with the intent of the AWA.

1/ The proposed user fees are for services that provide a benefit to specific and readily identifiable groups of individuals or businesses. The budget recommends that they rather than all taxpayers accept at least some financial responsibility for these specific services. The acceptance of these proposals will not affect the level of funding provided for these activities.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS
2001 Actual and Estimated 2002 and 2003

	2001		2002		2003	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Alabama	$4,354,847	38	$5,229,300	42	$4,426,328	47
Alaska	1,751,815	17	1,686,488	19	1,779,008	21
Arizona	13,178,937	105	12,465,053	118	13,389,039	132
Arkansas	11,388,586	32	10,996,966	36	11,577,679	41
California	71,470,677	606	68,605,955	679	72,507,995	760
Colorado	31,524,995	249	30,850,496	279	32,028,839	313
Connecticut	827,718	9	798,729	10	841,177	11
Delaware	1,135,392	11	931,022	13	1,154,053	14
Florida	145,045,899	792	139,923,605	862	130,602,425	965
Georgia	11,709,847	106	9,602,074	119	11,897,487	133
Hawaii	34,881,549	339	33,602,870	380	35,451,956	426
Idaho	4,145,962	27	3,899,688	31	4,211,066	34
Illinois	19,902,489	93	16,320,041	104	20,031,995	116
Indiana	2,635,822	24	2,161,374	27	2,676,517	30
Iowa	57,217,560	208	46,918,399	233	57,908,383	261
Kansas	2,771,863	29	2,272,927	32	2,817,306	36
Kentucky	4,754,959	42	3,899,067	47	4,827,301	52
Louisiana	13,944,093	63	11,434,156	71	14,176,619	79
Maine	1,512,734	11	8,292,306	13	1,537,085	14
Maryland	157,409,253	990	170,073,513	1,072	151,018,021	1,200
Massachusetts	9,140,092	69	7,494,876	78	9,288,997	87
Michigan	19,219,358	70	18,759,874	78	19,482,947	88
Minnesota	31,606,652	301	67,127,519	337	40,152,379	378
Mississippi	48,027,420	73	39,382,484	82	48,831,152	92
Missouri	4,916,034	48	4,031,148	54	4,994,878	61
Montana	4,808,763	30	3,943,186	34	4,883,752	38
Nebraska	4,676,348	23	3,834,605	25	4,722,387	29
Nevada	2,593,057	20	2,126,307	23	2,636,475	26
New Hampshire	1,289,585	9	1,057,460	10	1,310,980	11
New Jersey	10,772,768	107	8,833,669	120	10,944,806	134
New Mexico	4,807,615	37	3,942,244	41	4,886,340	46
New York	61,490,624	358	50,422,312	401	62,128,989	450
North Carolina	27,289,955	134	26,877,763	150	27,710,242	168
North Dakota	3,414,958	31	2,800,266	35	3,458,407	39

Ohio	4,806,135	29	3,941,031	32	4,875,306	36
Oklahoma	7,734,889	27	6,342,609	30	7,863,381	34
Oregon	4,735,403	33	3,883,031	37	4,800,718	41
Pennsylvania	25,064,114	69	20,552,574	78	25,081,529	87
Rhode Island	369,333	3	302,853	4	375,513	4
South Carolina	4,014,210	39	3,291,652	44	4,080,144	50
South Dakota	2,749,295	13	2,254,422	15	2,789,049	16
Tennessee	4,784,097	50	3,922,959	55	4,860,735	62
Texas	117,451,211	676	99,822,118	757	119,400,485	848
Utah	3,600,273	33	2,952,224	37	3,658,803	42
Vermont	3,445,056	11	2,824,946	13	3,484,585	14
Virginia	5,685,223	63	4,661,883	70	5,779,465	79
Washington/Guam	12,004,749	110	9,843,894	123	12,192,473	138
West Virginia	5,580,014	14	4,575,612	15	5,649,589	17
Wisconsin	3,487,898	42	2,860,077	47	3,542,013	52
Wyoming	3,286,377	18	2,694,829	20	3,338,736	23
Dist. of Columbia	15,833,226	126	21,795,371	142	19,680,465	160
Puerto Rico	16,738,598	199	13,725,650	223	17,012,595	250
Virgin Islands	1,607,144	19	1,317,858	21	1,634,068	24
Asia/Pacific	746,125	4	611,822	4	1,670,297	5
Brazil	658,342	3	539,840	3	669,370	4
Canada	1,122,990	21	1,780,306	24	1,840,617	26
Caribbean	1,677,870	19	1,461,524	21	2,325,677	24
Central America	7,385,424	9	6,709,300	10	7,509,148	11
Chile	1,076,755	15	848,366	17	1,094,794	19
China	540,871	3	443,514	3	549,932	4
Colombia	1,435,108	4	1,342,325	4	1,459,150	5
Dominican Republic	1,582,438	5	1,313,970	6	1,479,959	6
Europe/Africa	2,492,206	10	1,974,149	11	2,533,957	13
Guam	245,347	1	201,184	1	249,457	1
Guatamela	32,302,261	11	28,097,849	12	17,994,435	14
Japan	937,169	5	740,400	6	952,869	6
Mexico	33,262,311	159	7,065,787	178	33,803,202	199
Other South American	939,262	3	725,351	3	954,997	4
Panama	8,334,120	8	7,454,128	9	8,473,737	10
Peru	35,666	1	25,944	1	36,263	1
Suriname	232,582	0	150,000	0	236,478	0
Total, Available or Estimate	1,163,602,324	6,959	1,093,649,096	7,732	1,154,227,000	8,662

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

STATUS OF PROGRAM

PEST AND DISEASE EXCLUSION

Goal I: Safeguard U.S. plant and animal resources against introduction of foreign pests and disease, while meeting international trade obligations.

Current Activities: The Animal and Plant Health Inspection Service (APHIS) conducts agricultural inspections and international pest and disease programs, to prevent exotic plant and animal pests and diseases from entering the United States. Along with manual inspections, the Agency utilizes alternative inspection methods and technologies such as X-ray systems and detector dogs. APHIS personnel also carry out inspections of imported and exported animals to ensure that all exported livestock, live poultry, hatching eggs, bovine semen, and bovine embryos have been inspected and certified free from contagious diseases. In addition to assuring that exports comply with health agreements between the Department and importing countries, APHIS officials routinely meet with international agricultural health officials to facilitate international trade by clarifying and amending import requirements, as necessary. The Agency also participates in inspection, survey, and control activities in foreign countries, thereby reducing the threat of exotic pests and diseases to the United States.

Selected Examples of Recent Progress:

1. Agricultural Quarantine Inspection (AQI)

The goal of the AQI program is to maintain the risk of introduction of invasive species into the U.S. at acceptable levels to protect American agricultural resources, maintain the marketability of agricultural products, and facilitate the movement of people and commodities across the borders. With appropriated funding, APHIS minimizes the threat of risk entering the U.S. by conducting point-of-entry inspections of travelers and cargo along the Mexican and Canadian borders, and pre-departure inspections of passengers and cargo from Hawaii and Puerto Rico to the mainland. APHIS also inspects private and military aircraft and small tonnage vessels from Hawaii and Puerto Rico. With AQI user fee collections, APHIS collects fees for services associated with port arrivals in the U.S. customs territory of international airline passengers and clearance and inspection of commercial aircraft, commercial vessels, commercial trucks, and commercial loaded railcars. APHIS also collects fees for pre-clearance or pre-inspection at sites outside the U.S. customs territory.

Foreign Animal Disease Exclusion Activities

In response to the foot-and-mouth disease (FMD) outbreak in the United Kingdom and other parts of Europe during FY 2001, the Secretary of Agriculture made $13.5 million available from AQI user fee revenue to increase inspection efforts at our ports. APHIS enhanced the surveillance of animal products from the European Community (EC) and implemented 100 percent inspection of all passengers on flights originating from affected EC member States. APHIS implemented additional safeguarding measures regarding the exclusion of material potentially contaminated with bovine spongiform encephalopathy (BSE). Also, APHIS required that all farm equipment from FMD-affected countries have certificates confirming the equipment free of all dirt and particulate matter before entering the U.S. With the FMD outbreak in Europe and enhanced exclusion activities regarding BSE, APHIS employees faced ever-expanding surveillance and inspection

tasks. These challenges offered APHIS the opportunity to increase coordinating efforts with Customs, INS, Fish and Wildlife Service, and also with the Food Safety and Inspection Service (FSIS) regarding the importation of meat and meat products. APHIS and FSIS reviewed and rewrote the current memorandum of understanding between agencies to better address the entries of meat for import. In addition, APHIS amended the Animal Product Manual and placed an electronic version on the APHIS Intranet to allow employees the opportunity to easily confirm actions without reviewing a large notebook. By the end of FY 2001, APHIS had hired an additional 153 positions and increased inspection activities in the Atlanta, Dallas, Dulles, Houston, Miami, Newark, Oakland, and Puerto Rico ports where FMD/BSE risks are high.

Passenger Baggage Inspections: In FY 2001, APHIS inspected approximately 92.5 million maritime and airport passengers arriving in the U.S., as well as predeparture passengers in Puerto Rico and Hawaii, preclearance passengers in Bermuda and the Bahamas, and pedestrians and bus/vehicle passengers arriving in the U.S. This is an increase of 4.5 million from FY 2000. To enhance passenger processing, APHIS continued to participate with other Federal inspection agencies including the U.S. Customs Service (Customs), the Immigration and Naturalization Service (INS), and the State Department in a Border Passenger Processing Initiative. This initiative examines ways to expedite passenger processing while maintaining or increasing regulatory compliance. Also, APHIS participated in Passenger Analytical Units at airports. These units target high-risk passengers while allowing the vast majority of compliant passengers to proceed quickly through the Federal inspection process. In addition, APHIS continued to maintain a selective examination of passengers and baggage using "rovers," "choke points," and detector dogs to control passenger movement. The Agency also continued to use the Interagency Border Inspection System to identify previous violators, expedite passenger clearance, and improve inspection effectiveness. These improvements have reduced the program's passenger clearance target to 20 minutes.

Baggage Screening: APHIS maintained 100 trained beagle teams at 35 major U.S. airports, land borders, maritime ports, and post offices. These beagles undergo a 12-week training course with their proposed handlers at the Agency's National Detector Dog Training Center in Orlando, Florida. APHIS has extended training center services to Australia, Canada, Chile, and New Zealand. The countries pay all Agency costs for the service. In addition, APHIS maintained X-ray scanning equipment as a screening tool in passenger baggage clearance at all foreign-arrival and predeparture sites, as well as at several land border ports on the Mexican border. Since FY 1994, APHIS had been developing an automated tomographic X-ray luggage inspection system under a memorandum of understanding with the U.S. Army. Using this system, the Agency had hoped to automatically detect as little a 10 grams (approximately 1/3 of an ounce) of an agricultural product in passenger baggage at 120 feet per minute conveyor speed. After having the Massachusetts Institute of Technology review the project, engaging in discussions with the Federal Aviation Administration (FAA), and inadequate progress, APHIS terminated the project. The basic technology, although innovative, is not likely to increase effectiveness and efficiency beyond technology that is currently on the market. The Agency will fund future X-ray development projects only after review and approval by knowledgeable FAA scientists.

Also in FY 2001, APHIS continued progress in developing cost-effective approaches to preclearance baggage inspection at Hawaii's direct departure and interline airports. Specifically, the Agency is using an integrated managed approach to evaluate different pathways and operations within the preclearance program to ensure an effective, efficient, and cost-effective program. APHIS maintains communications with airports and communities about the preclearance program, which includes meeting with the Hawaii State Department of Agriculture to share and exchange resources, training airline and compliance agreement employees, and utilizing public relations and media contacts.

Results Monitoring: APHIS' AQI Monitoring System provides valuable information on passenger baggage inspection that will improve operations. Through this system, the program monitors and verifies inspections and seizures. This system uses a statistically valid sampling procedure involving a thorough inspection of passengers approaching a border crossing. It improves the risk management decision making process and enables program managers to allocate resources to entry paths at high-risk for foreign agricultural items. It collects compliance data at all U.S. international airports, border ports, maritime ports, and land and air cargo ports. In FY 2001, APHIS achieved a 96 percent compliance rate for international air travelers (up from 95.2 percent in FY 2000), 96.2 percent for border vehicles (down from 97.1 percent in FY 2000), and 97.6 percent for cargo (up from 97.3 percent in FY 2000). *Compliance Rate* refers to the percentage of international travelers or vehicles clearing the Federal inspection service at U.S. borders that meet Federal agricultural regulations.

Export Certification: APHIS uses the EXCERPT system, a computerized database of export certification information, to facilitate export trade by providing certifying officials with on-line export summaries that provide foreign countries' plant health import requirements and other information for issuing phytosanitary certificates. Currently, over 4,000 certifying officials (2,200 Federal and 1,800 State) use the system through which export certification data is available for over 215 countries. An additional 17 countries have certification information, but are not yet linked to the EXCERPT system. In FY 2001, APHIS issued over 550,000 certificates, expediting trade for over $24 billion of agricultural exports.

Trade Compliance: In FY 2001, APHIS hired 14 supervisors, 46 (of 65) Smuggling Interdiction and Trade Compliance (SITC) officers, and 10 Investigative and Enforcement Services investigators. APHIS analyzes pathways, prosecutes smugglers, and provides outreach to industry on regulatory requirements. In addition, we work closely with several Federal agencies, State Departments of Agriculture, the Office of the General Counsel, and State and local police to provide coordinated enforcement with shared authorities.

Also in FY 2001, APHIS SITC surveyed produce markets for prohibited products and conducted inspections at airports, seaports, land borders, and weigh stations. In addition, SITC officers played a supportive role in the FMD response by assisting at ports of entry and market inspections, and conducting pathway analysis. SITC seized a number of products (e.g., used farm equipment), returned them to the country of origin, or referred them for cleaning. When SITC detects prohibited items, we identify the item's origin and the responsible shippers, importers, and broker. Also, we research previous shipments and destination points in search of other prohibited items. With this information, SITC develops a database to target specific commodities and their importers with a history of smuggling contraband, and allow legitimate importers and exporters to move their products through commerce without undue delay.

In addition, SITC conducted two major blitzes on the Canadian border focusing on vehicle traffic. SITC confiscated over 3,000 lbs. of exotic fruits, herbs, and meats at three western New York crossings during a three day blitz. SITC conducted national recalls for several craft articles, Argentine citrus, and bovine spongiform encephalopathy contaminated items.

APHIS developed several criminal investigation cases and forwarded them to the Office of Inspector General. We pursued administrative cases involving prohibited pork from countries with FMD and prohibited vegetables such as fresh chives from China and uncertified avocado from Mexico. To enforce compliance, APHIS uses civil penalty enforcement authority to collect fines for violation of agricultural safeguard regulations. The American people are well served by APHIS' efforts to minimize the risk of introduction of exotic pests and diseases through ensuring compliance at the ports and borders. The American people as "travelers" also are well served when

APHIS works with other U.S. Federal inspection agencies to expedite passenger processing while ensuring compliance with regulations.

Cargo Clearance: In FY 2001, APHIS inspected approximately 46,500 ships, and 1,976,000 shipments of regulated and miscellaneous cargo, entering the U.S. Also, the Agency participated with Customs, maritime and air cargo lines, and importers in the Automated Commercial System for electronic transmission of cargo data and entry documents to expedite processing of required data on airports. APHIS continued to expand and improve an automated hold system for regulated cargo. APHIS continued working with Customs on the planning and administrative aspects of the Automated Targeting System (ATS). This system, which uses artificial intelligence techniques to rank shipments for inspection, facilitates trade by expediting tracking and enforcement of regulated commodities. At selected Customs ports, the ATS, which is in test phase, merges carrier manifest and broker entry information, filters this information through established criteria, and prioritizes the shipments for inspection based on system findings.

Preclearance: In FY 2001, APHIS precleared approximately 753,000 passengers and intercepted approximately 167,000 pieces of contraband at airports in the Bahamas and Bermuda. Through trust fund agreements with major exporting groups, APHIS conducted 35 pre-clearance programs across the world involving inspections of fruits, vegetables, and propagative material countries. Commodity pre-clearance overseas provides the U.S. with additional protection against the introduction of exotic plant pests and diseases by detecting and eliminating pests at their origin. Significant preclearance inspection activities occurred in Chile, a major supplier of winter fruits and vegetables to the United States; the Netherlands, a major supplier of flower bulbs; and South Africa and New Zealand, which supply apples to the United States. Also, preclearance programs for mangoes subject to hot water treatment continued in Brazil, Guatemala, Haiti, Mexico, and Venezuela and expanded in Peru and Ecuador. In addition, APHIS maintained a preclearance program in Germany, and continued inspection training for military personnel in the European Command.

Safeguarding: Since July 1999 when the National Plant Board submitted its Safeguarding Report to APHIS, the 17 issue groups that met to evaluate the 307 recommendations and develop action plans have made tremendous progress. These recommendations address pest exclusion, international information, pest permits, and pest detection and response issues. As of October 1, 2000, APHIS approved a total of 83 action plans that address 153 of the recommendations. All of these action plans are in some stage of implementation. APHIS has already enacted several to date, which include: development of civil penalties guidelines for the increased civil penalties; expansion of digital imaging for identification purposes; full staffing of a national SITC program; expansion of the detector dog program; acceptance of a series of international standards by the International Plant Protection Convention; and completion of a project that will provide electronic connectivity in most PPI work sites. In addition, APHIS posts safeguarding updates on its web site.

Revenue Collections: In FY 2001, APHIS collected $255 million in user fee revenue for AQI services. Since the implementation of user fees in FY 1991, the Agency has collected about $1.4 billion in fees.

2. Cattle Fever Tick

The cattle fever tick program is designed through the inspection of cattle and horses to rapidly identify foci of tick incursions, eradicate them, and prevent their spread. In addition, the program prevents the introduction of cattle fever ticks into the United States from Mexico by using horseback patrols to apprehend stray cattle and horses and systematic quarantines along the Rio Grande River. The cattle fever tick program, begun in 1906, was the first cooperative state-federal

eradication effort in the United States. In 1943, two species of cattle fever ticks, *Boophilus annulatus* and *Boophilus microplus*, were eradicated from the Southwestern United States, with the exception of a permanent quarantine zone between Texas and Mexico. Today, the permanent quarantine zone extends over 900 miles from Del Rio to the Gulf of Mexico and is up to 6 miles wide.

In FY 2001, during horseback patrols for cattle and horses in the permanent quarantine zone, the Agency apprehended a total of 144 stray and smuggled animals from Mexico, 114 of which were infested with cattle fever ticks. These stray and smuggled animals consisted of 100 cattle and 44 horses.

At the end of FY 2001, 55 premises were under quarantine as infested. Of these premises, 31 were in the permanent tick quarantine zone and 24 were outside the quarantine zone. This compares to 15 premises under quarantine at the end of FY 2000. Twelve of these were in the permanent quarantine zone and 3 were outside the zone. All infested premises are in full compliance with regulations to ensure that the cattle ticks will not spread.

APHIS believes the increasing number of outbreaks are the result of uncontrolled tick populations in Mexico, low water levels in the Rio Grande River, and changes in ranch management practices. Although Mexico has a cattle fever tick eradication program, it is ineffective in reducing populations of cattle fever ticks on livestock located in adjacent ranches across the border from the U.S. permanent quarantine zone. The low water levels resulting from continued drought conditions have allowed increased numbers of infested wildlife and livestock to cross the border into the permanent quarantined zone. Ranch management practices have changed from the traditional cowboys working cattle to exotic and wild game ranching where no surveillance for cattle fever ticks is practical.

Many species of wildlife are hosts for the cattle fever ticks, however, surveillance of these hosts and methods to deliver pesticides to these species are limited. APHIS is attempting to identify a manufacturer to produce a pesticide medicated bait recently developed by the Agricultural Research Service (ARS) for the control of ticks on wildlife and exotic game. ARS developed the systemic pesticide to be applied as a bait which is then ingested by wildlife. The cattle fever ticks feeding on the medicated bait-treated wildlife are then killed. APHIS has had difficulty in identifying a company to formulate the pesticide medicated bait material because of economic reasons and the Food and Drug Administration's regulations. In FY 2001, APHIS completed a workforce utilization study of the Cattle Fever Tick Eradication program. The study resulted in several recommendations that APHIS is considering.

3. Foot-and-Mouth Disease (FMD) and Foreign Animal Diseases (FAD)

APHIS' first line of defense against foreign animal diseases, including FMD, is quickly detecting and controlling outbreaks of these diseases in key foreign countries. Excluding FMD and other foreign animal diseases is critical to protecting US farmers and consumers against losses in productivity, higher food prices, and lost export markets. APHIS' efforts successfully protected the biological and commercial health of the $76 billion livestock and poultry industries in the U.S. against devastating diseases in FY 2001.

APHIS foreign animal disease activities overseas include cooperative agreements with Mexico, Panama, and Colombia as well as placing staff in influential positions within multilateral international organizations such as the World Animal Health Organization (OIE) in Paris, France and the Pan American Health Organization's Center for Foot-and-Mouth Disease (PANAFTOSA) in Rio de Janeiro, Brazil. In addition, APHIS collaborates with foreign animal health officials and supports the missions of international organizations including the Inter-American Institute for

Cooperation in Agriculture (IICA), the International Regional Plant and Animal Health Organization (OIRSA), and the Hemispheric Committee for the Eradication of Foot-and-mouth Disease. These collaborative efforts support FMD surveillance and other foreign animal diseases in the region and ensure that the U.S. is prepared to address the threat of disease entry. Also, they increase the knowledge of local animal health officials in export and import requirements and help develop animal health and quarantine infrastructures.

The changing realities of international trade and travel has warranted a shift of focus and resources from traditional FMD exclusion programs in Central and South America. In addition to the FMD outbreak in Europe during FY 2001, other diseases of domesticated animals, such as Bovine Spongiform Encephalopathy (BSE), hog cholera, Rift Valley fever, and highly pathogenic avian influenza have made a resurgence worldwide. They present new threats to the U.S., which is free of all these contagions. APHIS offset activities in South America to begin new foreign animal disease monitoring activities in Africa, Asia, and Europe.

Panama and Central America: Mexico, Central America, and Panama represent an ongoing risk for the overland spread of animal diseases and pests to the U.S. livestock industry. Any introduction of FMD or other foreign animal diseases or pests into any one of the countries in the region will persist, expand, and eventually affect American agriculture if there is no assistance from the U.S., either directly, indirectly, or financially.

APHIS operates under the U.S.-Panama Cooperative Program for the Prevention of Foot-and-mouth Disease (COPFA), which combined activities with the Panama-U.S. Commission for the Eradication and Prevention of Screwworms (COPEG) to help support the infrastructure for FMD prevention activities.

Part of COPEG's monitoring and surveillance program is to continues to support the Vesicular Diseases Diagnostic Laboratory located in Panama. This R-3 bio-secure laboratory that serves as the vesicular disease diagnostic laboratory for Central America and Panama processed 1,456 diagnostic samples collected from 1,275 field investigations of suspected vesicular disease in FY 2001, a 20 percent increase over FY 2000. To date no FMD outbreaks have occurred in Central America, giving evidence to the success of APHIS' efforts in conducting an active prevention and surveillance program in the Darien Gap area of Panama to reduce the risk of FMD entering at high-risk border points with Colombia.

Building on the infrastructure that the Regional Screwworm Eradication Program established in Central America, APHIS has expanded their capabilities in the region to include FMD and other FADs. APHIS works in several Central American countries, including Honduras, Nicaragua, and Costa Rica, under the existing Cooperative Agreements for the Prevention of Foot-and-mouth Disease and Rinderpest, to improve pest prevention, surveillance, diagnosis, and emergency preparedness. The results have been increases in the number of field investigations and samples submitted from cases of suspected vesicular diseases and screwworms. The submissions represent a significant improvement in the surveillance capability of the countries involved.

South America: APHIS still maintains the FMD-free area along the Colombia-Panama border. This maintenance area serves as the "first line of defense" for preventing the spread of FMD northward into Central America, Mexico, and the United States. Until FMD is eradicated from the Western Hemisphere, maintenance of this barrier will prevent the disease's northward spread. To safeguard against FMD introduction, the program investigated suspicious vesicular diseases and quarantined areas that tested positive for FMD. APHIS provided financial and technical assistance to the cooperative FMD control program in a 50/50 cost share program with the Colombian Agriculture Institute (ICA). Colombia and the Colombian livestock sector continue to provide funding to the field program above the 50/50 cost share.

The Colombia program is an important component of APHIS' exclusion activities overseas because successfully eradicating FMD from Colombia will further reduce risks to U.S. Industry. The APHIS program works in the context of PAHO's Hemispheric FMD Eradication Plan, which bears on the bordering countries of Bolivia, Brazil, Ecuador, Peru, and Venezuela working together to eradicate FMD. APHIS prioritizes components of the plan which focus on the FMD-free area along the Colombia-Panama border. Our support of this process has been crucial to the success of the initial steps of the Hemispheric plan. APHIS began contributing directly to FMD efforts in Venezuela and Ecuador in 1998 with most of its efforts dedicated to assisting in controls at border areas thus ensuring national animal health infrastructures of no new introductions of disease. The program has been successful in providing more information to Venezuela and APHIS on the situation in Colombia. In Ecuador, APHIS has been working on their northern border with Colombia.

In support of PAHO's Hemispheric Plan to eradicate FMD from the Americas, APHIS assigned a veterinarian to PAHO's FMD Center (Panaftosa) in Brazil. The APHIS veterinarian works closely with PAHO's veterinarians to have a coordinated, hemispheric approach to detecting and eradicating FMD outbreaks, data reporting, and carrying out epidemiological studies. Additionally, APHIS assigned a veterinarian to help coordinate and execute the FMD eradication program in Bolivia. The program uses P.L.480 funds to aid in the final eradication of FMD from the isolated, northern areas of Bolivia. The eradication of FMD from Bolivia is crucial to its successful eradication from the Andean countries and from South America as a whole.

In the last year, APHIS has also begun looking into other significant foreign animal diseases of interest to the U.S., including equine encephalitis and classical swine fever. The FAD/FMD program also focuses attention on vesicular stomatitis (VSV) which, when confused for FMD, disrupts the U.S. animal industry.

Mexico: APHIS and the Mexican Ministry of Agriculture, through the Exotic Animal Disease Commission, continued their successful exclusion of FMD and other foreign animal diseases. The North American Free trade Agreement as well as other economic factors has increased the amount of agricultural trade between the U.S. and Mexico. For example, Mexican red meat exports to the U.S. have increased from $13 million in 1996 to $20 million in 2000. This further illustrates the importance APHIS' role in preventing animal diseases in Mexico that could harm U.S. Industry.

No FMD outbreaks occurred in FY 2001 as APHIS and Mexico continued conducting laboratory diagnostic and field detection activities to provide rapid detection and effective surveillance of FMD and other foreign animal diseases. In addition, an Exotic Newcastle Disease outbreak in chickens in a zone previously free of this disease in northern Mexico was quickly identified, controlled and then eradicated without expanding to other areas.

The U.S., Mexico, and Canada have been working together more closely to continue to exclude Foreign Animal Diseases from North America. The three neighbors have worked together toward equivalent approaches regarding import protocols and have taken similar actions against emerging animal health risks. With the recent outbreak of FMD in Europe, as well as the continuing concern with Bovine Spongiform Encephalopathy, APHIS has ensured our policies have been similar.

The U.S., Mexico, and Canada have formed a Transmissible Spongiform Encephalopathy Working Group, an Emergency Management Working Group, and an Animal Health Trade Working Group. APHIS will continue to be partners in preventing FMD and other foreign animal diseases from gaining access to North American soil.

The U.S. and Mexico also cooperate with a Vesicular Stomatitis study in southern Mexico entitled "Epidemiology and natural cycle of Vesicular Stomatitis Viruses in Mexico". This essential data is necessary to further understand this disease as it causes serious trade disruptions when confused with FMD.

4. Fruit Fly Exclusion and Detection

Mediterranean Fruit Fly (Medfly) in Guatemala and Mexico: APHIS is eradicating Medfly in Guatemala and Mexico through Moscamed, a cooperative cost-sharing program with Mexico, Guatemala, and Belize. APHIS has eliminated Medfly outbreaks from northern Guatemala, Belize, and all but the state of Chiapas, Mexico. This activity is preventing the fly from moving north through Mexico into the U.S. The emergency program, begun in FY 1999, has the short-term goal of eradicating the Medfly from Mexico and preventing establishment of the pest in the U.S. The long-term goal is to establish a sustainable Medfly barrier in Guatemala along the border with Honduras and El Salvador. Program activities include: 1) establishing and maintaining a viable quarantine infrastructure in Chiapas and Guatemala; 2) refining detection trapping in Chiapas, surrounding Mexican States, and Guatemala; 3) conducting aerial and ground bait spray treatments in infested areas; 4) maintaining sterile fly production in Metapa, Mexico, Petapa and El Pino in Guatemala for sterile release activities; 5) improving all control and eradication technologies; 6) conducting an effective public/private sector awareness program and 7) facilitating the transfer of technology to other U.S. and foreign fruit fly eradication programs. Current concerns over environmental contamination restrict the implementation of many Medfly control and eradication activities. In Mexico and Guatemala, these restrictions are coupled with political considerations, community objections, impact on organic farming, and financial responsibility to further prevent progress in protecting the U.S. from Medfly infestations. APHIS has responded by investigating new technologies, materials, and application methods. Where promising, APHIS will transfer developed products to the U.S. to improve domestic control programs.

APHIS continues cooperating with Agricultural Research Service and U.S. State scientists to develop environmentally friendly alternatives to Malathion aerial sprays for fruit fly control. While APHIS is still supporting the application of a Malathion bait mixture, there is a strategy to qualify Spinosad, a recently developed organic fruit fly bait that is an environmentally friendly alternative. In 1999 the Guatemala-Mexico Medfly Program became the first large-scale operation to use Spinosad. To better address public concern about pesticides in urban areas, new ground application equipment was developed and long lasting bait stations are under development. APHIS and cooperators also continue to enhance the sterile insect release technology to improve fly quality and technique application. The "La Aurora" facility in Guatemala City contains a laboratory for rearing parasites and is experimenting with rearing procedures for several species of wasp parasites to control Medfly. Future development in this area could help address treatment of organic farms and other areas where spraying is difficult.

The Mexico mass rearing facility is producing approximately 500 million sterile flies of the bisexual strain per week for release in Mexico. At the rearing facility in El Pino, Guatemala, the construction of four additional modules is nearly complete. This facility should be able to produce 1.6 billion sterile males - the Temperature Sensitive Lethal (TSL) all-male strain - per week. The old rearing facility at Petapa, Guatemala, is currently raising Medfly eggs to supplement the El Pino facility during the current emergency. Afterward, Moscamed will use the Petapa facility to produce additional Medfly eggs that will be sent to Metapa, Mexico for rearing the TSL strain. The new plant will employ new, more efficient, and compact style egging cages for the egg laying colony as well as new equipment to heat treat eggs in bulk currently under construction so the new plant can achieve its capacity.

APHIS uses sterile flies from the El Pino facility in preventative release programs in California and Florida as well as in the Moscamed program in Guatemala and Mexico. The program has also completed a new release center in Retalhuleu, Guatemala, to support the new chilled-release technology. The chilled adult release system has replaced the paper bag release system, where flies are held in paper bags and released with the bag and other debris. This system is much more environmentally friendly, and the new center has the capacity to process all the flies from Guatemala and Mexico should the need arise. In addition Moscamed is completing construction of a chilled adult packing center in Tapachula, Mexico so Mexico can also utilize the technology. The program has also modified Mexican aircraft to release chilled flies. Also, the new, simpler adult aerial release equipment under development should create greater program efficiencies.

Fruit Fly Detection/Eradication Activities: In FY 2001, APHIS conducted cooperative fruit fly detection programs in States that are susceptible to introduction and establishment. As part of this effort, APHIS and State cooperators deployed traps to enhance program effectiveness. The goal of Florida's Fruit Fly Detection Program is to detect new introduction quickly enough to begin mitigation measures before the flies can get established. In Florida, the program made four detections of exotic fruit flies. In May 2001, a single Guava fruit fly was detected in Orange County. APHIS responded by conducting three life cycles of intensified trapping. This trapping yielded negative results and the program ended in July 2001. In June 2001 a single Oriental Fruit Fly was detected in Osceola County. This trapping yielded negative results and the program ended in August 2001. In July 2001, two Oriental flies were detected in Sarasota County. Five chemical treatments were applied and intensified trapping continued for one life cycle after the previous treatment to verify eradication. This program ended in October 2001. In July 2001, a single Guava fruit fly was detected in Seminole County. In response, APHIS conducted three life cycles of intensified trapping. This trapping yielded negative results and the program ended in October 2001. In all, Florida had four events, three single fly finds and one double fly, requiring chemical treatments. These finds prove that the detection program is succeeding and can be relied upon to detect flies at low levels. In FY 2001, this program included more high risk areas that require servicing every two weeks instead of every three weeks. This increased frequency of servicing the traps are a significant factor in the early detection of exotic flies.

APHIS and the California Department of Food and Agriculture (CDFA) continued strong, Statewide detection efforts to defend against the threat of harmful fruit flies entering the U.S. at California entry ports. In FY 2001, one wild male Mexican Fruit Fly (MXFF) was found in San Diego County in June 2001 and a second wild male MXFF was found in Los Angeles (LA) County in September 2001. Also, one wild female Guava fruit fly was found in Riverside County in September 2001, four males were found in Santa Clara County in August and September of 2001, and one male was found in San Diego County in August 2001. In addition, 69 Oriental fruit flies (OFF) were found in the following counties from July 2001 through September 2001: LA, Orange, San Diego, Contra Costa, and San Bernardino. However, the OFF poses only a fraction of the threat to fruit production compared to Medfly and MXFF. Four male Peach Fruit Flies were found in Santa Clara County in August and September of 2001. Two Medfly adults and eight larvae were found in LA County between June 2001 and October 2001. In response to these detections, the program increased trapping and established quarantines, where necessary, to prevent the artificial spread of the fruit flies beyond the affected areas.

APHIS' detection and management of outbreaks of Medfly, OFF, and MXFF in California, Florida, and Texas is continued evidence of our ability to detect, delimit, and eliminate the threat of any fruit fly infestation nationwide. Even though we continue to detect single fly events, none except for the economic threat of the Medfly and the sporadic OFF have approached the regulatory and control thresholds established in Federal regulations or emergency guidelines. This is consistent with our program goals to detect introductions of exotic fruit flies in their first generation or when no more than one square mile is involved.

Preventative Release Programs (PRP): In FY 2001, APHIS and CDFA expanded the sterile Medfly PRP from 2,155 square miles to 2,500 square miles. This PRP includes 1,190 square miles in Los Angeles County, 635 square miles in Orange County, 275 square miles in Riverside County, and 400 square miles in San Bernardino County. It is designed to prevent or limit the size of infestations that may occur. The PRP also expanded its successful use of TSL medflies to help reduce the need for insecticides. The TSL trait allows mass-rearing of exclusively male medflies. Since these male flies are no more expensive to rear than standard, mixed-sex medfly strains, the program saves resources that would otherwise go into producing unneeded females. In addition, not having sterile females to distract them once they are seeking wild, fertile females may be a critical component to the TSL males' success. In FY 2001, we released 62,500 sterile males (125,000 bisexual flies) per square mile per week over 2,250 square miles of the PRP and an additional 100,000 sterile males (200,000 bisexual flies) per square mile per week over a 250 square mile high-risk area in central Los Angeles. The PRP uses TSL in the high-risk 250 square mile area. To support this effort, APHIS' rearing facility in Waimanalo, Hawaii, produced 300 million bisexual sterile Medfly pupae per week and the Moscamed rearing facility in El Pino, Guatemala produced 140 million TSL's per week (Vienna 7-Tolliman strain). These 140 million TSL's equate to 280 million bisexual flies per week as TSL's represent 1/2 of bisexuals. Sterile flies prevent the establishment of most introductions, and we can address any smaller outbreaks using less intrusive control methods such as limited Malathion bait applications and increased sterile fly releases. The Florida PRP continued in Hillsborough, Manatee, Sarasota, and Miami-Dade counties, with the release of 125,000 sterile flies per square mile over 485 square miles. Timely detection allows APHIS and cooperators more control options and often eliminates the need for aerial pesticide applications. Also, it enables production States to respond quickly with treatments, maintain valuable trade markets, and reduce the need for costly Federal quarantines. PRP's provide Federal/State cooperators with an effective and proactive tool to prevent exotic fruit fly introductions and monitor existing populations. Joint APHIS/State fruit fly trapping programs continue to detect increased numbers of exotic fruit flies and this condition warrants new SIT technology development and expanded PRP operations.

Mexican Fruit Fly: The cooperative MXFF detection, management, and eradication program involving APHIS, the States of California and Texas, and the Mexican plant health organization - Sanidad Vegetal - prevents the MXFF from becoming established and spreading through U.S. citrus production areas. This program consists of survey, regulatory, and control activities along the Mexican border to reduce the infestation risk in southern California and the lower Rio Grande Valley (LRGV) of Texas. The Texas MXFF program involves a joint Federal-State trapping program and the weekly release of 30 million sterile flies to suppress infestations. In FY 2001, APHIS' fly production facility in Mission, Texas produced 1.2 billion pupae and released them over the LRGV of Texas. This facility also supplied an additional 562 million pupae to program personnel in Northwest Mexico to maintain a sterile fly barrier along the California-Mexico border. Production levels were reduced in FY 2001 due to a bacterial outbreak that APHIS and California scientists detected at the facility. In response to this problem, APHIS immediately suspended sterile MXFF production and conducted a 2-month comprehensive evaluation of the entire facility. During this time, we optimized the rearing environment by re-fitted the facility with new air ducts and water filters. In addition, we expedited the permitting process for importing sterile start-up and replacement pupae from the Metapa facility in Tapachula. After APHIS took these corrective measures, production levels quickly returned to normal. Also in FY 2001, APHIS reviewed MXFF management options and began to implement an area-wide management - or systems - approach to dramatically reduce MXFF populations in the LRGV. However, any success achieved in Texas depends on actions taken by the Mexican Agriculture Department on the Mexican side of the border to create a viable buffer zone to afford protection to the LRGV. One component of the plan is exclusion, which would entail establishing road stations in northeastern Mexico to inspect host material from infested areas of the country. These road stations could

eventually be funded through user fees. The other components to the management plan include an aggressive/immediate treatment protocol for the capture of a single wild MXFF with Spinosad and an overall increase of sterile MXFF release on the U.S side, supported by the Mission rearing facility, plus the possibility of Metapa providing sterile MXFF for the Mexican side. Early in FY 2002, APHIS officials plan to meet with Mexican officials to request their cooperation in this effort.

5. Import/Export

This program protects U.S. livestock, poultry, and wildlife populations from incursions of exotic diseases and parasites including those transmissible from animals to humans. APHIS regulates the importation of animals and animal products and promotes markets abroad by ensuring that U.S. origin animals and animal products meet health and welfare requirements of recipient countries. Fulfilling this mission in FY 2001 required the regulatory oversight for the importation of 7.8 million animals; 10.6 million poultry; 2.5 million doses of semen; and 1,221 embryos. The program issued point of origin certificates for the export of approximately 752,000 head of livestock, 60.4 million doses of semen, and 15,246 bovine embryos.

APHIS is also responsible for evaluating the animal health status of countries and/or regions requesting approval to export animals and animal products into the United States. We completed an evaluation of the animal health status of Iceland in regard to dourine, glanders, equine piroplasmosis, and equine infectious anemia. As a result, APHIS published a rule which removed testing requirements for these diseases on horses originating from Iceland. APHIS also proposed removing testing requirements for tuberculosis from Australia and brucellosis for cattle from Australia and New Zealand, based on its evaluation. Currently, APHIS is conducting evaluations of Classical Swine Fever (CSF), Newcastle disease, tuberculosis, and brucellosis in various Mexican States. Recently, we received requests to review the animal health status of African horse sickness in Saudi Arabia; Newcastle disease in Panama; and FMD in Peru, Korea, Namibia, and Lithuania.

Imported Animals: During FY 2001, cattle imports from Mexico increased by 770,000 from 1.183 million to 1.260 million. Cattle imports from Canada increased by 352,000, from 944,000 to 1.296 million. Overall, cattle importations were up by 400,000 from 2.1 million in FY 2000 to 2.5 million in FY 2001.

Throughout much of FY 2001, APHIS responded to incursions of FMD in Uruguay, Brazil, Argentina, the United Kingdom, Ireland, France, and the Netherlands by changing import policies to prevent the introduction of FMD into the U.S. Specifically, APHIS published interim rules to restrict the entry of livestock and products from these countries. In November 2001, APHIS published a rule removing the Republic of Ireland and France from the list of restricted countries and placing them on the list of FMD free countries. APHIS is proposing to add Japan, the Netherlands, and Northern Ireland to the list of FMD free countries..

APHIS made additional regulatory changes in FY 2001 as a result of the confirmation of BSE in various countries including Germany, Italy, Spain, and Greece. Import restrictions were previously applied to these countries due to the high risk of BSE. After confirmation of disease, APHIS changed regulations to reflect that disease had been found in these Countries. In FY 2001, Japan identified its first case of BSE and was added to the list of restricted countries.

APHIS published an interim rule in FY 2001 which greatly impacted cattle imports from Mexico. The new rule recognizes Mexican States which have made satisfactory progress towards tuberculosis eradication and relaxes import requirements for those states. APHIS has received

applications from several States for status recognition. The Agency is conducting site visits to verify the tuberculosis status of the States requesting recognition.

Imported Avians: In FY 2001, 15.6 million poultry including day-old chicks and 11.3 million hatching eggs were imported into the United States. APHIS released 1,920 commercial birds from USDA-operated commercial bird quarantine facilities in FY 2001. USDA-supervised private bird quarantine facilities released another 187,860 commercial birds. Only commercial birds exempt from the Wild Bird Conservation Act may enter the country.

During FY 2001, officials confiscated or seized 559 smuggled and/or illegally imported birds at U.S. borders and quarantined them at USDA facilities. In addition, APHIS quarantined and released 300 pet birds in FY 2001.

Exported Animals: During FY 2001, APHIS resolved import differences with Turkey and Egypt and developed new export protocols with Poland and Romania. In addition, APHIS negotiated 10 protocols with the Dominican Republic. APHIS also negotiated protocols with Trinidad-Tobago for the export of goats; British Virgin Islands for swine; Peru for bovine semen and day-old chicks; Ecuador for day-old chicks and hatching eggs, and Mexico for horses. Currently, APHIS is negotiating with Brazil and Argentina concerning protocols for horses and chicks in relation to the West Nile Virus. Recently, we gained access to the market for pork in Argentina, and salmon eggs in Chile.

6. Screwworm

In FY 2001, APHIS continued progressing in its efforts to ensure that screwworm reintroduction into the U.S. does not occur. The eradication program is close to achieving its goal of establishing a permanent sterile screwworm barrier in the eastern third of Panama.

Establishing the barrier at Panama's narrowest point will result in significant savings over any other location in Mexico or Central America. Pushing the barrier zone more than 2,000 miles and 7 countries away from the U.S. has provided ever increasing protection for the U.S. livestock industry, thereby preventing economic loss to U.S. producers.

Mexico: The sterile fly production facility in Tuxtla Gutierrez, Mexico, produced and distributed approximately 6.2 billion sterile insects in FY 2001 for an average of 116 million sterile flies per week. We are continuing collaborative efforts with the Governments of Mexico and Panama regarding the future role of the Tuxtla production facility once the barrier in Panama has been established.

Nicaragua: Nicaragua was declared free of screwworms on October 19,1999. The program continues to maintain a sterile fly dispersal center in Nicaragua in case of a screwworm outbreak in northern Central America. APHIS has almost completed its work with the Ministry of Agriculture, Livestock, and Forestry in Nicaragua to transition the program from screwworm eradication to a program of prevention, surveillance, diagnosis, and emergency preparedness for FMD and other foreign animal diseases and pests (FAD), including screwworms.

Costa Rica: Costa Rica was declared free of screwworms on October 4, 2000. APHIS is working with the Ministry of Agriculture and Livestock in Costa Rica to transition the program from screwworm eradication to a program of prevention, surveillance, diagnosis, and emergency preparedness for FMD and other FADs and additional pests, including screwworms.

Panama: The focal point of the Screwworm Eradication Program is in Panama. The program began aerial dispersal of sterile screwworm flies in July 1998, expanded to one-half of the country

in November 1998, and to the entire country in July 1999. The program has progressed quickly in Panama from a high of 2,514 positive cases in September 1998 to 80 positive cases in October 1999, and only two cases in September 2000. The program has now shifted to the maintenance of a biological barrier in the eastern third of Panama.

Sterile Screwworm Facility in Panama: APHIS is currently examining the various options to secure a reliable source of an adequate number of quality sterile flies to maintain the barrier in Panama, eradicate isolated outbreaks, and provide flies to other countries and international organizations wishing to begin eradication programs. The current plan calls for construction of a new sterile screwworm production facility in Panama to supply sterile flies for the newly established barrier in Panama. We are considering whether the Tuxtla Gutierrez facility may remain in operation as well to meet the potential demand for large numbers of sterile flies for new eradication programs funded by other countries and international organizations. Maintaining two facilities would give us an important insurance policy against production disruptions in any one of the plants. The program has been carrying over some of it annual appropriations in a no-year account for costs of construction of the new Panama plant.

Jamaica: To further safeguard U.S. livestock production, the program is providing technical assistance to Caribbean countries. Jamaica and the International Atomic Energy Agency are cooperating in a screwworm eradication program. Since August 1999 Jamaica has been purchasing, with PL-480 funds, sterile flies from the Tuxtla plant and services for pupae transport and fly dispersal under a USDA aerial services contract.

7. Trade Issue Resolution and Management (formerly Sanitary/Phytosanitary (SPS) Management)

APHIS is the lead U.S. government agency in both safeguarding the United States' domestic bounty and supporting marketing opportunities for our agricultural products worldwide on the basis of sound science.

Through the TIRM program, APHIS personnel overseas monitor and respond quickly to emerging foreign pest and disease threats at their origin before they have an opportunity to reach U.S. ports. These attaches also resolve problems associated with shipments of U.S. commodities, enabling them to clear the border and enter into the country's market. Overseas personnel collaborate with headquarters staff to present the correct mix of protecting U.S. agriculture and ensuring that U.S. agricultural exports receive fair, science-based treatment in trade negotiations.

Agricultural trade liberalization, stemming in part from efforts of the World Trade Organization (WTO), has increased APHIS's role in the negotiation of SPS standards and the resolution of SPS issues, as well as regulating imports and certifying exports. As the WTO and other agreements eliminate traditional trade barriers such as tariffs and quotas, importing countries may attempt to adopt health-related requirements that are, in fact, trade barriers. To retain or open foreign markets, APHIS technical experts must be present to ensure that participants employ sound scientific approaches to issues of agricultural trade.

International Organizations: The U.S. supports international organizations as a means of regulating trade and establishing standards favorable to U.S. agricultural products. APHIS personnel continue to be key participants in meetings of the WTO's SPS committee, which in June 2000, adopted important guidelines for Article 5.5 of the Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement). The guidelines provide valuable measures in conducting risk assessments that create a more open trade environment. In response to increasing foreign requests to export agriculture products to the United States, APHIS must also use the new guidelines to verify and certify their capacity to meet U.S. standards. The WTO obliges the U.S. to respond to import requests in a timely manner.

The International Plant Protection Convention (IPPC) is the international standard setting body in the area of plant health under the WTO SPS Agreement. APHIS is the lead U.S. Government Agency responsible for implementing U.S. Obligations under the IPPC. In FY 2001, the U.S. delegation participating in the IPPC annual meeting accomplished several objectives, including the adoption of five new standards important for facilitating the movement of U.S. agricultural exports. These five standards are 1) the processes for risk assessment and guidelines and the selection of a risk management option; 2) guidelines for issuing phytosanitary certificates for agricultural exports; 3) notification requirements when regulated pests are found on imported agricultural commodities; 4) new or revised definitions for some terminology; and 5) guidelines that countries must maintain mandatory internal control measures for the pest before it can take action against a commodity because of that pest.

The International Office of Epizootics (OIE) is the international standard-setting body for animal health. APHIS participates in their annual meetings where they consider changes in guidelines, including standards related to trade in animals and animal products. In 2001 the group considered revisions to several chapters, including the chapter on BSE. The OIE gained the mandate to evaluate the classification of countries for BSE based on risk factors and to strengthen the guidelines for BSE surveillance. The OIE also established a five-year work plan including its zoonotics and animal welfare activities.

Export Facilitation: In addition to this critical work with international organizations, APHIS domestic and overseas personnel work directly with foreign regulatory officials to ensure that any and all SPS requirements are based upon sound science. In FY 2001, APHIS attaches saw a particular increase in the number and complexity of issues to which they had to respond. One area of growing concern is biotechnology. APHIS personnel worked to ensure that decisions on products derived from biotechnology received the same fair, science-based treatment as all agricultural products. Overseas technical assistance efforts also benefit U.S. exports by emphasizing the application of SPS concepts, such as appropriate risk assessment methodologies and harmonization with international standards. WTO agreements include provisions that encourage members to provide or facilitate technical assistance to less developed countries.

In FY 2000, the latest available data, APHIS was directly involved in resolving an estimated 67 SPS-related trade issues involving U.S. agricultural exports and removing restrictions to trade worth over $2.5 billion. APHIS attaches abroad are positioned to resolve any difficulties that may impede the importation of U.S. agricultural shipments. Overseas technical assistance efforts also benefit U.S. exports by emphasizing the application of SPS concepts, such as appropriate risk assessment methodologies and harmonization with international standards.

APHIS personnel were instrumental in negotiations to advance U.S. agricultural trade issues with many U.S. trading partners in FY 2001. APHIS succeeded in reversing Mexican actions that cut off exports of California stone fruit at the height of the shipping season. The Agency has also been involved in ongoing efforts to gain access to Mexican markets for U.S. canola, Pacific Northwest apricots, Florida citrus, and California avocados. Also in FY 2001, Canada began enforcing its requirement to accept only Federal Phytosanitary Certificates for U.S. wheat and barley, threatening a $4 million annual export market. APHIS successfully negotiated the retention of market access without trade disruption.

In South America, APHIS successfully completed a four-year negotiation with a tentative agreement with Colombia, Ecuador, and Peru to eliminate the requirement for vacuum chamber fumigation of U.S. bated cotton. APHIS also successfully intervened on Peruvian fumigation requirements to allow continued exports of corn grain to Peru. Following several years of negotiations with Argentina, APHIS achieved access for Florida and Arizona citrus into Argentina and for stone fruit from several counties in California. The Agency also helped to secure expanded

access to the Argentine market for California citrus and strawberries. In FY 2001, APHIS also negotiated Chilean market access for U.S. table grapes, kiwi fruit, strawberries, and raspberries.

Intense negotiations with various Asian countries produced some results in lifting SPS barriers to U.S. agricultural exports. APHIS received final approval for access of U.S. prune plums and Chelan cherries to Japan. An ongoing negotiation is for Japan to recognize that apples from Pacific Northwest fields near those infected with fire blight are not a threat. In FY 2001, APHIS and Japan completed a joint research project to prove the low risk. Japan has not yet agreed to remove its restrictions. For the important China market, APHIS helped expand access of citrus from additional counties in California and Florida. Also, the Agency agreed on protocols to allow U.S. tobacco exports into China. APHIS has also been working throughout the year to retain the $250 million soybean export market amid Chinese concerns over stem rot contamination. For Thailand, APHIS negotiated market access for U.S. seed potatoes.

In response the European Union regulations to require treatment of wood packing materials from the U.S., APHIS worked with the industry to develop a system and ensure that regulations did not cause trade disruptions. Also in FY 2001, APHIS and Australian technical teams developed a framework to allow access for U.S. table grapes to Australia. The Agency also responded to threats to the U.S. grape export market in New Zealand. The presence of glassy winged sharpshooter in California and findings of black widow spiders concerned New Zealand. APHIS negotiated an acceptable protocol for the industry to retain the markets.

Foreign Disease and Pest Exclusion: Part of APHIS's TIRM responsibilities is to enforce U.S. plant and animal health import laws. The U.S. is obliged to respond to import requests from foreign countries in a timely manner under the WTO. APHIS currently has over 200 requests for importation from foreign countries pending. APHIS veterinarians and plant health specialists continued to work closely with foreign governments and industry to meet these WTO obligations while protecting American agriculture from pests and diseases. The Agency determined the presence of economically significant pests and diseases in foreign countries U.S. This information helps APHIS establish the risk that a commodity from those countries might bring to the U.S., if imported, and to justify any mitigation measures we would require for entry. Some significant agreements that APHIS helped reach in FY 2001 include a rule for import of Mexican avocados and export terms to resume potato trade with Canada. Both of these issues called for NAFTA consultations and threatened trade relations with important trading partners.

APHIS attaches, located in over 26 countries, play a critical role in safeguarding U.S. agricultural and natural resources from potentially invasive foreign pests and diseases. They report on any emerging pests or disease problems in foreign countries, aiding the U.S. ports to take appropriate safeguarding action. They also provide technical assistance to strengthen plant and animal health systems in developing countries. This technical assistance helps to strengthen their regulatory infrastructure, build U.S. relationships with key foreign officials, diffuse U.S.-supported regulatory concepts and approaches, and, ultimately, increase the health status of the country in question.

8. Tropical Bont Tick (TBT)

The Caribbean Amblyomma Program (CAP), initiated in 1995, focuses on a regional approach to eradicating the TBT and preventing the introduction of the tick and its associated diseases, heartwater and dermatophilosis, into U.S. livestock and wildlife populations. Substantial economic losses, both in direct production loss and loss of trade, would result if the tick and its associated diseases were to enter the U.S. APHIS participates in the cooperative CAP program with the Food and Agriculture Organization (FAO) of the United Nations and the Caribbean Community to exclude the pest from the U.S. An eradication program in U.S. territories or the mainland would be extremely difficult and expensive.

In FY 2001, APHIS provided technical assistance and funding through FAO. The islands of St. Kitts and St. Lucia were declared provisionally free of the TBT, while Anguilla, Montserrat, and Dominica have eliminated reproducing populations of the tick. Post-eradication surveillance will follow for one year after an on-site review confirms that TBT is eradicated. Eradication activities in Antigua have been temporarily suspended because of insufficient funding. Although external funding to the island has been suspended, the Government of Antigua plans to conduct a pilot program during FY 2002, in the Parish of St. George, to demonstrate that eradication is possible on the island. Antigua has a significant livestock population relative to neighboring islands and is a critical participant in the eradication of the TBT due to the historic presence of heartwater on the island. Until FY 1999, TBT-infested islands belonging to France followed a control strategy, believing that the TBT could not be eradicated. The success of the CAP program, together with favorable independent reviews, convinced the French to switch to a strategy of TBT eradication. Because of the possibility of reintroduction of the tick into the rest of the Caribbean, including the U.S. Virgin Islands and Puerto Rico, from the infested French islands, the program has continued to monitor livestock populations for the presence of the TBT.

PLANT AND ANIMAL HEALTH MONITORING

oal II: Minimize agricultural production losses and export market disruptions by quickly detecting and sponding to new invasive agricultural pests and diseases or other emerging agricultural health situations.

urrent Activities: APHIS monitors animal and plant health to detect and react to exotic pests and disease troductions. The Agency creates and updates endemic pest and disease information bases and monitors nd carries out surveys in cooperation with States and industry. The Agency also surveys for exotic plant ests and investigates reports of suspicious animal pests and diseases. Early detection reduces the spread of xotic plant pests, helps eliminate significant losses, and helps maintain pest-free status for export ertification of agricultural commodities. U.S. agriculture is currently free from hundreds of foreign pests nd diseases. Survey data are essential for initiating action programs, and result in better pest and disease nanagement.

APHIS works with the States to compile two databases: the National Agricultural Pest Information System NAPIS) and the National Animal Health Monitoring System (NAHMS). States enter the results of plant est surveys directly into the NAPIS database, which includes crop hosts, location, weather conditions, pest ife stages, crop damage, survey and control methods used on certain pests, and trapping methods. Descriptive data about the occurrence and costs of animal health events are collected from a statistically alid sample of producers for the NAHMS database. NAHMS reports can be used by producers to improve ealth and production efficiency of livestock and poultry.

Regulatory enforcement activities prevent the spread of communicable animal pests and diseases in nterstate trade. These activities include inspection, surveillance, animal identification, and prosecution. The Agency also investigates alleged violations of Federal animal welfare and horse protection laws and regulations and oversees and coordinates subsequent prosecution of violators through appropriate civil or criminal procedures.

The Agency maintains a cadre of trained professionals, prepared to respond immediately to potential animal and plant health emergencies. Reports of suspected exotic pests and diseases are investigated and emergency action is taken if necessary. The Agency develops pathway studies and thoroughly investigates the progression of outbreaks to determine the origin of plant and animal pests and diseases.

elected Examples of Recent Progress:

Animal Health Monitoring and Surveillance

Foreign Animal Disease Investigations: In recent years, the program has increased foreign animal disease (FAD) investigations tremendously. In FY 2001, APHIS conducted 801 investigations, an increase from last fiscal year's total of 385. In the Agency's efforts to prevent FAD incursions, APHIS thoroughly investigates all suspicious situations. The investigations are broken down into the following categories:

FOREIGN ANIMAL DISEASE INVESTIGATIONS			
DISEASE	FY 1999	FY 2000	FY 2001
Vesicular conditions	230	145	471
Mucosal conditions	8	0	10
Avian diseases	13	12	0
Hemorrhagic conditions	0	3	5
Respiratory conditions	6	8	7
Encephalic conditions	24	136	213
Excess deaths	11	37	52
Myiasis/Ascariasis	5	27	17
Other disease conditions	39	17	26
TOTAL NUMBER OF INVESTIGATIONS	336	385	801

Increased FAD Investigations: We increased FAD surveillance nationwide as a result of the September 11, 2001, incident against the United States and the potential for additional intentional acts that may impact national security.

Training: In FY 2001, the Agency conducted 5 FAD training courses to instruct veterinarians on how to recognize FAD's. Two of the courses, held in January and March of 2001, were conducted for State, military, and Federal veterinarians. Additionally, FAD training courses were conducted for both laboratory personnel in November 2001 and for international students in May 2001. One of the training courses offered in August 2001, focused on wildlife animals.

BSE Surveillance: The USDA continually evaluates its means and methods for safeguarding American agriculture from foreign animal diseases, such as BES. To date, no case of BSE has ever been detected in the United States out of more than 13,900 samples. The number of BSE surveillance cases handled by NVSL more than doubled from 2,303 in FY 2000 to 5,056 in FY 2001. This is the largest single-year total since surveillance began in 1990. For each of the last 6 years, the rate of surveillance for BSE in the United States has been approximately double the

International Office of Epizooties (OIE) standard. In FY 2000 and FY 2001, APHIS examined more than five times the number of brains than the OIE standard, and testing continues to increase each year. This enhanced testing helps support and validate the declaration that the United States is BSE free.

Based on movement patterns, USDA has divided the United States into 8 regions where adult cattle would typically live and exit the production system. Using the adult cattle populations in each region, APHIS has calculated regional surveillance goals for BSE based on international standards as if each region were an individual country. In FY 2001, these goals were doubled to detect an even lower level of BSE.

In FY 2001, Congress approved a $5 million supplemental appropriation to continue protecting our borders from foreign animal diseases. Initially, APHIS requested $35 million. A large portion of this funding went directly to bolster the Federal and State surveillance infrastructure.

Outbreak Situations: In FY 2001, APHIS continued its involvement with the West Nile virus (WNV) outbreak. APHIS will continue to monitor horses for encephalitis that could be caused by the WNV. APHIS supported the development of a horse vaccine and the manufacturer is currently meeting the high demand, especially in Florida where the incidence is highest. It is predicted that there will be approximately 500 equine cases of WNV in FY 2002 with about 24 percent of those being equine deaths.

Animal Health and Agricultural Monitoring and Risk Assessments: The Agency's proactive animal health monitoring and disease surveillance program produced and interpreted scientifically valid information for policy makers, producers, and consumers. The National Animal Health Monitoring System (NAHMS) delivered objective information addressing animal health as it pertains to U.S. trade, agricultural productivity, public health, and on-farm quality assurance. In FY 2001, APHIS conducted several State level test exercises to increase the capability of the first responders to an animal health emergency. On February 21, 2001, an outbreak of FMD in the United Kingdom was confirmed. The Agency's Emergency Operations Center was immediately activated and kept up and running until around August 2001 to monitor the FMD situation in the United Kingdom. The Emergency Management Systems (EMS) program was shifted from the AHM&S line item to align emergency program activities under one line item in order to enhance the Agency's safeguarding effort against introductions of FMD, BSE, and other FADs. Collaborative information sharing and producer confidentiality are cornerstones of the program. Through effective (and non-regulatory) partnerships with animal commodity producer groups--and with State governments, university researchers, and other Federal Agencies--the program met producers' and the U.S. public's information demands in a cost-effective, collaborative manner while minimizing duplication of effort.

APHIS continued to analyze on-farm data and biologic samples for the Equine '98 Study in 2001. An interpretive report was published in May 2001, focusing on Equine Protozoal Myeloencephalitis (EPM) in the United States. We published several information sheets in FY 2001: "Salmonella and the U.S. Horse Population" and "Deaths in U.S. Horses;" "Infectious Upper Respiratory Disease in U.S. Horses: Disease Frequency;" "Infectious Upper Respiratory Disease in U.S. Horses: Laboratory Results for Influenza Serology and Nasal Swab Culture for Streptococcus Isolation;" "Incidence of Colic in U.S. Horses;" and "National Economic Cost of Equine Lameness, Colic, and Equine Protozoal Myeloencephalitis (EPM) in the United States." This study proactively collected and interpreted data supporting emerging disease conditions; disease control; emergency preparedness; and trends in animal health. This data and sample collection is a representative sample from 28 States including Alabama, California, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota,

In October 1999, APHIS completed data collection for the NAHMS Layers '99 Study. Participants from 252 farm sites completed the questionnaire. Participants were from Alabama, Arkansas, California, Florida, Georgia, Indiana, Iowa, Minnesota, Missouri, Nebraska, North Carolina, Ohio, Pennsylvania, Texas and Washington. These States account for about three-fourths of the table egg layers in the U.S. The table egg layer study concentrated on using biosecurity practices; estimating national prevalence; and identifying risk factors for *Salmonella enteritidis*. APHIS released two descriptive reports in FY 2000: "Reference of 1999 Table Egg Layer Management in the U.S.," Part I (published October 1999) and Part II (published January 2000). Also, APHIS published three information sheets: "Highlights of Layers '99 Part I" (October 1999), "Highlights of Layers '99 Part II: General Management" (January 2000), and "Highlights of Layers '99 Part II: Biosecurity Practices" (January 2000).

The Feedlot '99 study is NAHMS' second national study of the beef feedlot industry. The States involved in this study include Arizona, California, Colorado, Idaho, Iowa, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, and Washington. From October 1999 through September 2000, APHIS collected data from on-site farm visits. In November 2000, the Agency published the second descriptive report titled "Feedlot '99 Part II: Baseline Reference of Feedlot Health and Health Management, 1999." Four information sheets were also published: "Highlights of NAHMS Feedlot '99 Part II," and "Injection Practices in U.S. Feedlots," "Vaccination of Cattle Against Respiratory Disease Pathogens in U.S. Feedlots" and "Attitudes Towards Pre-arrival Processing in U.S. Feedlots." In December 2000, another descriptive report was published titled, "Feedlot '99 Part III: Health Management and Biosecurity in U.S. Feedlots, 1999." Two information sheets were also provided: "Highlights of NAHMS Feedlot '99 Part III" and "Water Quality in U.S. Feedlots". Three additional information sheets were published in October 2001: "Salmonella in United States Feedlots", "Treatment of Respiratory Disease in U.S. Feedlots" and "Escherichia coli 0157 in United States Feedlots".

The third national study of the swine industry began in June 2000 with the National Agricultural Statistics Service (NASS). The NASS contacted 4,749 participants from 17 states including Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Carolina, Ohio, Oklahoma, Pennsylvania, South Dakota, Texas, and Wisconsin) to collect baseline management data. This first phase of data collection ended in July. The second phase of data collection began in August 2000. APHIS published the first descriptive report titled "Swine 2000 Part 1: Reference of Swine Health and Management in the United States, 2000" in August 2001 along with the Information Sheet "Highlights of NAHMS Swine 2000: Part 1."

The first phase of data collection for the NAHMS Sheep 2001 study was completed in January 2001. NASS enumerators contacted 4,884 operations in 22 States including Arkansas, California, Colorado, Iowa, Idaho, Illinois, Indiana, Kansas, Minnesota, Montana, Nevada, New Mexico, Ohio, Oregon, Pennsylvania, South Dakota, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming. Additionally, telephone interviews were conducted in early summer followed by site visits to selected sheep feedlots.

National Poultry Improvement Plan (NPIP): NPIP, an industry, State, and Federal program, continued to protect and serve the $25 billion poultry industry in FY 2000. The provisions of the NPIP, developed jointly by industry members, and State and Federal officials, establish standards for evaluating poultry breeding stock and hatchery products for freedom from hatchery-disseminated and egg-transmitted diseases. The NPIP's mission is to certify all baby chicks, poults, and hatching eggs for interstate and international movement. The NPIP continued to certify breeding flocks for export of baby chicks, poults and hatching eggs. The isolation and

identification protocol for Salmonella was significantly changed by allowing the use of a protocol that does not include delayed secondary enrichment. The Salmonella enteritidis monitored program for egg-type chickens was amended to include pullorum-typhoid testing requirements.

No commercial egg-type and meat-type chicken or turkey breeding flocks had S.pullorum or S. gallinarum isolates. S. enteritidis was found in turkey breeding flocks in 3 different States. The flocks implicated were destroyed. There were significantly fewer outbreaks of M. gallisepticum, M. synoviae and M. meleagridis in poultry in FY 2001.

Poultry Diseases: During FY 2001, we tested 2,756 samples from live-bird markets (LBMs) in the Northeastern United States for the presence of avian influenza virus (AIV). Subtype H7N2 AIV was isolated from 53 of 284 samples in 18 submissions from New Jersey and from 366 of 2,347 samples in 102 submissions from New York. During FY 2001, the program sampled all LBMs in NJ (28 markets) and NY (81 markets) at least once. We isolated the H7N2 virus from 46 percent and 61 percent of LBMs from NJ and NY, respectively. Samples collected from LBMs in Connecticut (24), Massachusetts (91), New Hampshire (2), and Rhode Island (8) were negative for AIV. The H5N2 AIV was isolated from 4 samples from NY and 1 sample from NJ. All viruses were characterized as low pathogenic. Other subtypes of AIV recovered from NY LBMs were H3N2 (3), H4N6 (8), H6N2 (3), and H9N2 (1).

Miscellaneous Diseases: Equine infectious anemia (EIA) is a viral disease of equines that causes fever, anemia, progressive weakness, and weight loss. Of the 2 million horses tested in FY 2001, 0.03 percent tested positive. We will continue to develop a national uniform policy program leading to eradication.

In FY 2001, APHIS continued to stop mares and stallions infected with the FAD Contagious Equine Metritis (CEM) from entering the United States. Sixteen horses have been identified since 1997.

Johne's Disease: At the end of FY 2001, Johne's disease initial programs included approximately 1,950 herds. In other words, 1,950 herds had control plans or risk assessments filed with states. State certification programs (programs which show the test negative status of a herd) enrolled approximately 514 herds. Of the herds that were enrolled in the state certification programs, approximately 84 advanced within their program to higher levels of assurance for test negative status. Thirty-nine states have established advisory committees for Johne's disease with federal representation on all of these committees. Eleven States are actively using APHIS resources including Florida, Illinois, Indiana, Kansas, Maine, Minnesota, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin.

APHIS has developed national standards which incorporates the education of producers and veterinarians, standards for developing herd management plans for Johne's disease, and testing programs based on the United States Animal Health Associations guidelines. These national standards are expected to be in place in the spring of 2002.

Brucellosis: As progress continues towards the eventual eradication of brucellosis from U.S. domestic livestock, the Agency is placing more emphasis on surveillance activities to assure that the last affected herd is found. In FY 2001, we tested 11.1 million cattle for brucellosis. This is an increase of 300,000 over last year's level of testing. We must maintain adequate surveillance after the disease is eradicated to prove to our trading countries that we are disease free.

The National Veterinary Service's Laboratory (NVSL) continued to evaluate its newly developed validation method of the brucellosis slaughter surveillance system. The validation method will assess the correlation of blood samples and identification. Specifically, NVSL will compare blood

samples collected from animals at slaughter to samples collected at other points of the marketing system to ensure that the animals' identification is being maintained accurately throughout the entire process. NVSL identified and addressed several concerns with the method in FY 2001. The Agency expects that the method will be ready for field implementation in the near future.

Tuberculosis: APHIS continued to monitor the incidence of tuberculosis throughout the United States in FY 2001. The Agency tested 2,991 tuberculosis suspect tissues submitted by meat inspection personnel from slaughtered cattle in FY 2001. This compares to 1,028 samples tested in FY 2000. Of the samples tested in FY 2001, 71 samples tested positive for tuberculosis.

2. Animal and Plant Health Regulatory Enforcement

APHIS supports the enforcement needs of the Agency and ensures uniform compliance with Federal laws and regulations through a combination of sound enforcement and strong educational efforts. We investigate violations, collect evidence, issue and collect civil penalties, and develop alleged violation cases for formal prosecution. At the beginning of FY 2001, APHIS Investigative and Enforcement Services employed 53 field investigators stationed throughout the United States. A staff of three compliance specialists and three case examiners at headquarters handle Agency-level enforcement including issuance and collection of civil penalty stipulations.

APHIS continues to work to improve the timeliness and quality of investigations despite a continuing increase in the number of violations. In this regard, the Agency has made important progress in tracking cases through the implementation of a headquarters based online computer system. This system enables all investigators, regardless of where stationed, to enter data directly into the system with a laptop or personal computer.

APHIS conducted 1,010 investigations involving plant quarantine violations in FY 2001 resulting in 303 warnings, 480 civil penalty stipulations, 29 Administrative Law Judge decisions, and approximately $305,000 in fines. APHIS also conducted widespread market surveillance activity to intercept prohibited foreign fruits and vegetables illegally smuggled into the United States. Significant cases involved the falsification of phytosanitary certificates being used to export agricultural goods from the United States to foreign countries which exposed multiple and in some cases interconnected conspiracies, the smuggling of prohibited fruits and vegetables contaminated with plant pests into this country, and the illegal distribution of Mexican avocados out of the northeastern States where they had been permitted entry.

APHIS conducted 374 investigations involving animal health programs in FY 2001, resulting in 96 warnings, 27 civil penalty stipulations, 4 Administrative Law Judge decisions, and approximately $24,000 in fines. In addition, APHIS took several hundred administrative actions on animal health program violations disclosed at the border ports by agricultural quarantine inspectors. The alleged violations were concentrated in veterinary accreditation, animal identification, brucellosis, pseudorabies, and import/export programs. Significant cases involved the illegal interstate movement of pseudorabies affected swine, the fraudulent switching of blood samples to facilitate interstate and international movement, the illegal importation of meat products from bovine spongiform encephalopathy and rinderpest countries, and investigations and tracebacks of meat products from Foot-and mouth disease countries.

IES Staff conducted 276 animal care investigations in FY 2001, resulting in 201 formal cases submitted for civil administrative action. APHIS also issued 178 letters of warning for animal care. During FY 2001 we resolved 97 cases with civil penalty stipulations resulting in $143,440 in fines. Administrative Law Judge decisions resolved another 83 cases resulting in $365,875 in fines. APHIS investigated several high-priority and significant cases that involved the abuse of exhibit elephants; sale of dogs and exotic animals by unlicensed dealers; and the improper care of

marine mammals, research primates and puppies raised for the pet trade. We investigated numerous instances of wild, exhibition animals attacking and/or injuring the public, as well as a number of incidents involving the care and death of animals while in transit.

At the request of the Agricultural Marketing Service, we continued to perform random inspections and investigations in several States to increase compliance with that agency's pesticide record keeping requirements. We also provided investigative support to the wild horse adoption program at the request of the Bureau of Land Management.

3. Emergency Management Systems

The Emergency Management System (EMS) is a joint Federal-state-industry effort to improve the ability of the United States to deal successfully with animal health emergencies ranging from natural disasters to introductions of foreign animal diseases. In addition to unintentional introductions of foreign animal disease, the EMS addressees intentional introductions and emerging diseases which could pose a threat to trade. With full readiness to deal with animal health outbreaks, we can reduce the threat of the outbreak on the Nation's food supply and economic well-being. While APHIS conducts the majority of its work related to animal emergency management within this program, activities such as foreign animal disease investigations and training, are funded within the animal health monitoring and surveillance program.

APHIS provided assistance to the United Kingdom (UK) during its FY 2001 outbreak of FMD by coordinating teams of Federal and State veterinarians, including 158 veterinarians from APHIS, to travel to the UK to assist with eradication activities.

In November 2000, APHIS conducted a tripartite exercise with Canada and Mexico to develop, practice, and evaluate a North American emergency response plan for an outbreak of FMD. The exercise focused primarily on communications and the use of vaccine. In addition, we conducted a number of smaller test exercises to practice and evaluate emergency response actions on the State level. The purpose of the State level test exercises was to increase the confidence and capability of the first responders to an animal health emergency.

During FY 2001, the Agency initiated an emergency management grant program and awarded 38 emergency management grants. Of these 38 grants, 31 were awarded to States, 6 were awarded to Tribal Nations, and 1 was awarded to an University. The objective of the grant program is to assist States and Tribal Nations with meeting and exceeded the National Animal Health Emergency Management System (NAHEMS) State Standards. These standards were established to identify critical issues in emergency animal health preparedness.

In addition, APHIS placed a Veterinary Medical Officer (VMO) in Bolivia. This VMO supported Bolivia in its efforts to eradicate FMD. The VMO also gained valuable hands-on experience with dealing with an outbreak of FMD.

4. Pest Detection

APHIS and the States participate in the Cooperative Agricultural Pests Survey (CAPS) program which provides the network for APHIS and the States to target invasive plant pest species and response activities. Survey targets include weeds, plant diseases, insects, nematodes, and other invertebrate organisms. APHIS and the States conduct detection surveys for incipient infestations of exotic pests that could cause economic damage if spread to and become established in the United States. CAPS provides an electronic information exchange through the National Agricultural Pest Information System (NAPIS) database, web sites and e-mail systems, and

provides strong interagency and interpersonal networks. NAPIS provides a summary database of pest survey results that are useful in tracking the spread of pests within the United States, demonstrating their absence, planning their control, and for use in the export of agricultural commodities. APHIS also conducts international cooperative surveys for various targeted pests in Mexico and the Caribbean islands and began making plans for the collection of offshore pest data information.

In FY 2001, the Agency detected 278 new infestations of plant pests, compared to 482 in FY 2000. The following chart shows data of some FY 2001 surveys. Examples of observations include taking grain samples for Karnal bunt, setting traps for fruit flies, or checking of trees for citrus canker and plum pox. A "negative" observation is registered when we do not find the plant pest; a "positive" observation is recorded when we do. Both positive and negative results yield valuable and useful information as can be seen with Khapra beetle. Khapra beetle is one of the world's worst storage pests of grain/commodities, however, we continue to show that the United States does not have this pest based on continuing nationwide survey results.

Pest Name	Positive Observations	Negative Observations
Caribbean fruit fly	20,331	490,125
Egyptian cottonworm	--	43
Leek moth	--	110
Melon fly	1	491,664
Peach fruit fly	3	78,775
Spruce bark beetle	--	288
Asian longhorn beetle*	--	5,230
Khapra beetle	--	19,664
Giant Salvinia	5	388
Pink Hibiscus mealy bug	1,681 **	1,294
Mexican fruit fly	123	538,520
Mediterranean fruit fly	4	592,594
Plum pox virus	--	47,981
Karnal bunt*	1	3,753
Asian gypsy moth	--	10,335
Sweet potato weevil	113	9,229
Daylily rust	90	679

* outside the regulated area
** found only in Puerto Rico, not in continental United States

In addition, we conduct delimiting surveys that have invaded the United States and may be expanding their range. These include apple ermine moth, cereal leaf beetle, citrus leaf miner, pine shoot beetle, and several other bark beetles. The program managed data for other species includes gypsy moth, imported fire ant, Medfly, pink bollworm, giant salvinia, golden nematode, and other regulated, cooperative program pests. Surveys for these pests also assist the export of U.S. agricultural commodities.

APHIS continued using the CAPS network to conduct the Karnal Bunt (KB) National Survey in response to the 1996 detection of the disease in Arizona and the new 2000 detection in northern Texas. By collecting extensive survey data demonstrating the limited distribution of KB in the United States, APHIS provided assurance to all trade partners that KB is not present in major wheat-producing areas of the United States, thereby insuring annual agricultural exports of up to $5 billion and supplying the raw ingredients for domestic and foreign customers of flour, pasta, and other wheat products. Plum pox is another project in which national data obtained has helped

to keep budwood markets open by showing the absence of the pest from various areas around the United States.

PEST AND DISEASE MANAGEMENT PROGRAMS

Goal III: Minimize risks to agricultural production, natural resources, and human health and safety by effectively managing existing agricultural pests and diseases and wildlife damage in the U.S.

Current Activities: In cooperation with the States, APHIS works to improve the general health of our Nation's multi-billion dollar agriculture industry through management techniques designed to eradicate harmful pests and diseases, or, if eradication is not feasible, minimize their economic impact. Endemic diseases and pests are monitored through surveys to detect their location and through inspections aimed at preventing their spread into noninfested parts of the country.

Plant Pests and Diseases: APHIS Plant Protection and Quarantine unit coordinates a number of programs which actively control or eradicate plant pests. Various tools, including pesticides, traps, and natural predators, are used in order to control boll weevil, grasshoppers, noxious weeds, and witchweed.

In order to prevent the spread of plant pests into noninfested areas, APHIS develops and enforces regulations concerning the movement and quarantine of plant materials. Extensive investigations and methods development activities are conducted to determine the most feasible and environmentally sound methods of dealing with golden nematode, imported fire ant, pink bollworm, and other miscellaneous pests for which there are no viable control methods.

Animal Pests and Diseases: The Veterinary Services Unit of APHIS implements disease control and eradication programs involving testing, quarantine, treatment, and depopulation of infected animals. The brucellosis, pseudorabies, and tuberculosis programs are examples. The WS program protects American agriculture from detrimental predators through identification, demonstration, and application of the most appropriate methods of control

Selected Examples of Recent Progress:

1. Aquaculture

The production of food fish, ornamental fish, baitfish, crustaceans, mollusks, aquatic plants and algae, and some reptiles such as alligators and turtles, composes U.S. aquaculture. These organisms grow in a wide variety of climates with either fresh or salt water and utilize a number of different production systems. U.S. aquaculture accounts for more than 180,000 jobs and has an economic impact of more than $5.5 billion. This rapidly growing industry faces many challenges, including wildlife damage to aquaculture resources, spread of disease and parasites through imports and interstate shipments, and foreign export certification requirements. APHIS' role is to assist the aquaculture industry to meet these challenges, including managing aquatic diseases and wildlife depredation and facilitating the movement of aquatic animals and products in interstate and international commerce.

APHIS is continuing efforts to reduce fish-eating bird damage. We have four wildlife biologists or technicians stationed in Ruskin and Blountstown, Florida; Stoneville, Mississippi; Greensboro, Alabama; and two cooperatively-funded employees stationed in Lonoke and Lake Village, Arkansas. In FY 2001, these personnel provided assistance, loaned damage abatement equipment, and conducted wildlife damage assessments for aquaculture producers, including catfish farmers in Alabama, Arkansas, Florida, and Mississippi; tropical fish farmers in Florida; and bait fish farmers in Arkansas. APHIS personnel in Louisiana continued to provide technical assistance to aquaculturists in the catfish, crawfish, and baitfish industries.

The Agency continues to provide assistance to trout farmers in Pennsylvania. In FY 2001, we provided guidance in completing the Federal/State permitting process; provided technical information to Pennsylvania aquaculturists; and continued to cooperate with the U. S. Fish and Wildlife Service (FWS) to develop an environmental impact statement that should lead to the creation and implementation of a management plan to address cormorant damage to aquaculture resources in the Mid-South.

We also worked with aquaculture producers to implement the regulations of a FWS cormorant depredation order requiring that we provide certification when producers have previously implemented nonlethal methods before they can implement lethal control measures. Our specialists served as liaisons between the FWS and producers needing depredation permits for migratory birds other than cormorants.

APHIS' 2000-2001 winter cormorant roost dispersal program in Mississippi was again a tremendous success. With an organized roost dispersal effort, we reduced the estimated 64,700 cormorants in the Delta catfish production region by approximately 70 percent. Personnel from 82 aquaculture facilities and organizations participated in the cooperative dispersal project.

We increased our assistance to aquaculture producers and sport fish interests in Arkansas during FY 2001, resulting in our recommendation that FWS issue 151 permits to aquaculture producers. We serve as the local contact to investigate the need for permits to deal with migratory bird problems and recommend permit issuance to FWS.

During 2001, our National Wildlife Research Center (NWRC) continued to define the economic impact of cormorants and other fish-eating birds on the southern aquaculture industry and develop integrated approaches, such as non-harmful low-powered lasers, to disperse birds from aquaculture production areas. In addition, we continued to use satellite telemetry to monitor cormorant activities on their southern wintering grounds and their northern breeding grounds to define how we might best implement population management of this overabundant depredation. Under support of the New York Department of Conservation, NWRC scientists continued a multi-year satellite and VHF radio-telemetry study to determine the impact of cormorants of sport fisheries in Lake Ontario and the effectiveness of control techniques. We initiated studies to determine the potential of American white pelicans and other bird species to transmit an infectious trematode among commercial aquaculture ponds.

During FY 2001, APHIS completed a series of public meetings in eight key aquaculture States to better determine to what extent and how the Agency should regulate aquaculture industries. The extended public comment period will close in February 2002. The U.S. Animal Health Association Aquaculture Committee approved Veterinary Services' draft Aquaculture Strategic Plan in FY 2001. The plan serves as a guiding document for the development of a comprehensive national aquaculture program.

In FY 2001, Chile and the U.S. signed a memorandum of understanding (MOU) to reestablish international trade of U.S. salmonid eggs into Chile. In less than a month after the signing of the MOU, a new foreign animal disease affecting salmon, known as Infectious Salmon Anemia virus (ISAv), occurred in Maine resulting in trade restrictions again and prohibiting exports of U.S. salmonid eggs. The State of Maine depopulated over 900,000 salmon at a loss of approximately $11.8 million. On April 24, 2001, the Maine Department of Marine Resources, the State Veterinarian of Maine, and the Maine Aquaculture Association declared an emergency and requested assistance from USDA to cope with the recent outbreaks of ISAv in farmed Atlantic salmon off the coast of Maine. We are working with State officials to eradicate fish infected with the ISAv in Maine.

In FY 2001, APHIS approved protocols from Maine (for ISA testing) and Washington (for shellfish) requesting voluntary certification and inspection programs for ISA in salmon and mollusks (oyster seed). To date, APHIS has established 11 voluntary certification and inspection programs in Washington (1994 & 2001); Alaska (1994); California (1996); Maryland, Pennsylvania, and Arkansas (1997); Idaho (1999); Texas (2000); Hawaii (2000); Arizona (2000); and Maine (2001).

Since FY 1995, APHIS has endorsed export health certificates for 1.3 million fish eggs from Chile, Colombia, Greece, Korea, and Japan. Fish species currently in the certification process include rainbow trout, Donaldson steelhead trout, Atlantic salmon, and coho salmon. In FY 2001, APHIS endorsed health certificates of nearly one million live ornamental fish to 31 different countries

2. Biological Control

Canada thistle (CT): Canada thistle, *Crisis ravens*, is probably the most important nonagricultural weed in the United States and Canada. APHIS' collaborators and stakeholders have identified it as the highest-priority weed biocontrol target. In May 2001, the Bozeman Laboratory convened a workshop in cooperation with our National Biological Control Institute, the Niles, Michigan, Biological Control Laboratory, the South Dakota Department of Agriculture, and other interested parties to examine management options for CT and assess prospects for a renewed biological control effort against this weed. This resulted in a general plan of action for CT biocontrol along with a list of potential project collaborators.

Cereal Leaf Beetle (CLB) Biological Control Project: In cooperation with project participants in California, Oregon, and Washington, we monitored expansion of the Cereal leaf beetle, *Oulema melanopus*, to new counties, and established insectary plots of proven natural enemies (the CLB egg parasite, *Anaphes flavipes*, and the larval parasitoid *T. julis*) as a proactive management approach. Several other western States (Idaho, Montana, Utah, and Wyoming) continued to redistribute *T. julis* as parasitized CLB larvae, and renewed efforts to establish *A. flavipes* using field-collected material. Working with our cooperators, we collected over 31,000 *T. julis* parasitized larvae in Montana for release in Oregon and Washington; over 12,000 parasitized larvae in Utah for releases in Idaho, Oregon, and Washington; and 2,000 parasitized larvae in Wyoming for shipment to Oregon. We have further revitalized the release activity by collecting CLB natural enemies from established sites in the east. For example, the Niles Laboratory collected *A. flavipes* in Missouri for releases in Oregon, Utah, and Wyoming. In addition, State cooperators in Pennsylvania, North Carolina, and Maryland surveyed for the four key CLB parasitoids (including larval parasitoids *D. temporalis*, and *L. curtus*) and, when available, shipped them westward.

Dalmatian Toadflax (DT): Sampling at field release sites initiated in the previous 2 years showed successful establishment in FY 2001 of the stem-boring weevil *Mecinus janthinus* in six States (Colorado, Idaho, Montana, South Dakota, Utah, and Wyoming, and establishment of the root-galling weevil *Gymnetron linariae* in Colorado, Montana, Wyoming, and possibly Idaho and South Dakota. We released more than 13,400 *M. janthinus* adults during the summer at sites in Colorado, Idaho, Montana, Oregon, South Dakota, Utah, and Wyoming. We had collected these insects from established populations in British Columbia, Canada, in cooperation with the British Columbia Ministry of Forests. We released over 300 *G. linariae* adults at sites in Colorado, Idaho, and Montana, and also continued vegetation sampling programs at *M. janthinus* and *G. linariae* release sites in Montana, to measure any changes in *L. dalmatica* abundance due to these agents. Finally, we continued host-specificity experiments with *L. dalmatica* agents in FY 2001, to further document the relative safety of these agents. We completed studies with the leaf-feeding moth *Calophasia lunula*, which will feed and complete development on a number of non target native

plants, and initiated experiments testing the utilization of several native plants by *Mecinus janthinus* in summer 2001.

Japanese Beetle (JB): JBs continue to be a regulatory problem at many eastern commercial airports and military air bases. Many different pesticide and trapping management schemes have been tried, but have failed to control the beetles to a point where they would cease to be regulatory concerns. The use of entomopathogens to impact adult beetles and developing grub populations offers a unique methodology of control. APHIS conducted a replicated field test at Dover AFB, in Dover, Delaware, to test the feasibility of such an approach. Autodissemination traps inoculated adult beetles with a fungal pathogen. The adults carry the fungal spores back to areas where the eggs are laid and contaminate developing larvae in the soil. This has the potential to adversely impact the larval populations with a resulting decline in the adult population the following summer. Results during FY 1999 and 2000 showed significant impacts upon adult Japanese beetles. These studies continued in FY 2001, as we conducted field trials at the Dover AFB designed to evaluate the impact of the fungal pathogen against the larval population. Preliminary results failed to show significant impact on larval populations, although adults were impacted. We also deployed autoinoculators at two study sites in Kansas to evaluate potential impact on adult populations over time.

Leafy Spurge (LS): Biological control may ultimately control 60 to 70 percent of the leafy spurge in the United States, with an economic benefit of up to $60 million annually. In FY 2001, APHIS continued to collaborate with ARS in the fifth and final year of the "Team Leafy Spurge" Areawide Demonstration Project in Montana, North Dakota, South Dakota, and Wyoming. TEAM Leafy Spurge is a biologically-based integrated pest management program involving APHIS and the ARS and managed by the Bozeman Laboratory. Biological control efforts culminated with the collection of 48 million *Aphthona* spp. from APHIS-established field insectary locations and release of these agents in 82 counties in twelve States and three Canadian provinces. Data recently collected from North Dakota, Wyoming, South Dakota, and Montana assessment sites indicate near 100-percent establishment of the biological control insects, and successful leafy spurge control at each site. Spurge density at these sites has decreased dramatically, from 40 percent to 5 percent over three growing seasons.

National Biological Control Institute (NBCI): APHIS' National Biological Control Institute supported cooperative pest management partnerships through its competitive grant programs. Thirty-five projects were approved and a total of $367,141 was provided to cooperators in Federal agencies, State Departments of Agriculture, industry, and universities in FY 2001, to: (1) develop and supply educational materials and services; and (2) implement the safe and effective use of biological controls in pest management programs. Funded projects included initiatives for biological control of Salt Cedar, Spotted and Diffuse Knapweeds, Kahili Ginger (Hawaii), Tropical Soda Apple, Canada Thistle, Imported Fire Ant, Cereal Leaf Beetle, Gypsy Moth, Asian Longhorn Beetle, Varroa Mite, Cherry Bark Tortrix, Whiteflies, Greenbug, Tarnished Plant Bug, and Hemlock Wolly Adelgid.

The NBCI continued implementation of its "Offshore" biological control program against the Pink Hibiscus Mealybug (PHM) and the Papaya Mealybug (PM). The program has been instrumental in reducing PHM populations by over 95 percent in California, Belize, and the Bahamas with exotic parasites introduced from China, Egypt, and Australia. At the same time, we have been able to reduce the population of PM in the Dominican Republic, Puerto Rico and Florida by over 90 percent through the introduction of exotic parasites from Mexico. NBCI continued to support the Florida A&M University Center for Biological Control in FY 2001. This cooperative effort links APHIS with scientists from 1890 Land Grant Institutions and the ARS. APHIS sponsored projects at Florida A&M University totaling $250,000 in FY 2001, which included: biological control of the Glassy-Winged Sharp Shooter; biological control of spider mites on ornamental plants grown

in greenhouses; development of a relational database to enhance safeguarding capabilities against exotic weevils; taxonomic studies of citrus root weevils; and development of inherited sterility techniques to eradicate Cactus Moth and other invasive moth species.

In FY 2001, NBCI initiated and coordinated the development of an area wide biological control implementation plan for the Imported Fire Ant based on the mass-release of phorid decapitating flies. We provided $280,000 to State cooperators in support of this project. In addition, NBCI facilitated research efforts to develop augmentative biological control techniques to help eradicate Mediterranean Fruit Fly in Central America. We established a high security quarantine facility in Guatemala to evaluate new exotic natural enemies, and identified two new parasites from Kenya.

Purple Loosestrife (PLS): APHIS continued to make progress on implementation of the biological control program of Purple Loosestrife in FY 2001. Activities focused on the mass rearing and distribution of the leaf feeding beetle *Galerucella calmariensis* and establishment of a laboratory colony of the root boring weevil *Hylobius transversovittatus*. APHIS' Niles, Michigan, Biological Control Laboratory assisted our Mission, Texas, Laboratory in conducting natural enemy releases and evaluating release sites. We shipped approximately 177,000 *Galerucella* spp. leaf-feeding beetle adults to project participants in 15 States (Colorado, Connecticut, Delaware, Indiana, Massachusetts, Maryland, Missouri, North Dakota, Nebraska, New Hampshire, Pennsylvania, Virginia, Vermont, Wisconsin, and West Virginia). The Niles Laboratory staff also visited researchers at Cornell University in New York to observe and document rearing techniques on semi-artificial diet for the root-feeding weevil *H. transversovittatus*. Cornell University and APHIS are considering a future partnership which would increase the number and availability of this natural enemy for project participants. APHIS also continues activities to mass rear and release the root boring weevil *Hylobius*. We have established a laboratory colony from European field-collected weevils by hand-inoculating purple Loosestrife plants. Development of an artificial diet for *Hylobius* rearing process continues. All these activities are geared toward accelerating the availability of natural enemies for redistribution. Widespread distribution and establishment of these natural enemies should help to facilitate the management and control of invasive Purple Loosestrife on natural wetland areas.

Russian Knapweed (RKW): We continued to make progress in the development of biological control strategies for Russian knapweed. Collaborator and stakeholder interest in this project remains high. APHIS has led the project with full participation and support by partners including County Weed Districts from several States, the Bureau of Land Management, the Bureau of Indian Affairs, the ARS, Montana State University, and the University of Wyoming, who provide financial resources, labor, and research locations. Foreign collaborators include CABI Biosciences, Delémont Switzerland, and USDA-ARS, Montpellier, France. Cooperative work focused on foreign exploration for new Russian knapweed natural enemies and the host-specificity testing with natural enemies selected in 1999. Host-specificity tests conducted in FY 2001 on three potential biocontrol agents (two seed-destroying flies and a root-damaging wasp) indicate that these insects only use Russian knapweed as host plants. In early 2002, we plan to petition for release of these insects in the United States. We began testing with several new potential biocontrol agents in FY 2001, including root-feeding and leaf-feeding insect species.

Silverleaf Whitefly (SLW): From FY 1993 to 1999, the Mission Center in collaboration with State and Federal agencies mass reared and released over 35 million exotic parasitoids for control of Silverleaf whitefly in the southern United States. Recovery efforts during FY 2000 and 2001 indicate that several species of exotic parasitoids have become established and are contributing to the control of this insect pest. Exotic parasitoids from Pakistan, Ethiopia, and Spain have been recovered from field collections in Texas on a wide variety of crops, with the Pakistani parasatoid appearing to be best suited for attacking Silverleaf whitefly in that area.

Soybean Aphid: Working with our National Biological Control Institute, the Niles Laboratory prepared and managed six cooperative agreements with universities in Michigan, Indiana, Minnesota, and Kansas. This collaborative work included traditional and molecular taxonomy of soybean aphid (SBA), impact of native natural enemies using field exclusion cage studies, foreign collection of SBA natural enemies in the Far East, and translation of pertinent Chinese literature. SBA parasitoids now in quarantine at the ARS laboratory in Newark, Delaware, are *A. Albipodus* (Aphelinidae) and *Lysiphlebus* sp. (Braconidae). Niles Laboratory personnel collected SBA from Michigan and established a laboratory colony on suitable cultivars of soybeans, which we are using in support of cooperative work and as a host colony for biocontrol agents. With field collection help from program personnel stationed in Wyoming, Niles Laboratory personnel have determined that soybean aphids in the United States are highly susceptible to *A. Albipodus*, a parasitoid previously established in western states to combat the Russian wheat aphid. This Wyoming aphid parasitoid is now in culture at the Niles Laboratory. This discovery of SBA's susceptibility to *A. Albipodus* already established in this country could accelerate implementation of an effective biological control program against the SBA.

Spotted and Diffuse Knapweed (*Centaurea maculosa* and *C. diffusa* (SDK)): In FY 2001, the Bozeman Biological Control Laboratory supplied research-based technical support for the biological control of SDK to APHIS State Plant Health Directors and their cooperators. The station also monitored field releases of natural enemies and tracked population development and spread at sites in MT and WY. Additionally, Laboratory personnel developed public presentations and written materials on SDK biocontrol, advised state cooperators on SDK field insectary management issues, and coordinated distribution of four recently- released SDK biocontrol agents in western states.

3. Boll Weevil

The cooperative boll weevil eradication program (BWEP) has been highly successful in reducing and ultimately eliminating losses caused by the boll weevil. In FY 2001, APHIS coordinated survey and control activities on weevil-infested cotton in 8 States (Arkansas, Louisiana, Mississippi, Missouri, New Mexico, Oklahoma, Tennessee, and Texas). Also, the program monitored post-eradication surveys and response capabilities in 8 weevil-free States (Alabama, Arizona, California, Florida, Georgia, North Carolina, South Carolina, and Virginia), weevil-free portions of Tennessee and Texas, and in the Mexican states of Baja California Norte and Sonora. All work was completed without problems from secondary pests such as the beet armyworm, tobacco budworm, cotton bollworm, and aphids. In FY 2001, no boll weevil outbreaks were reported in Arizona, California, Florida, South Carolina, or Virginia. Isolated outbreaks were reported in Alabama, Georgia, and North Carolina, but these likely resulted from weevil migrations from infested areas of Mississippi. As of November 2001, the program had eradicated boll weevils from Arizona, California, Florida, Georgia, North Carolina, South Carolina, Virginia, most of Alabama, middle Tennessee, northwestern Mexico, and the El Paso and Southern Rolling Plains in Texas. APHIS has transferred full program responsibility to the grower organizations that are operating each program area.

Nationwide, the FY 2001 program cost was approximately $274 million, with 26 percent of that amount provided in Federal cost-share funds. Of the almost 16 million acres of U.S. cotton, the BWEP has eradicated boll weevil from 5.9 million acres since eradication activities began in 1983 and has met its performance target set for FY 2001. As a result, APHIS and program cooperators are very encouraged with the program's progress. The 5.9 million acres are in the program's post-eradication phase, while nearly 10 million acres are in the active phase, and less than 1 million acres are expected to join the BWEP within the next few years. Because program acreage can fluctuate wildly from year to year based on crop insurance policies and the availability

of price supports offered through USDA Farm legislation, acreage changes do not necessarily indicate program success or failure.

In Mississippi, we expect eradication in the North and South Deltas in FY 2002 and the entire State of Mississippi should be essentially weevil-free by sometime in FY 2003. We are pleased with the progress being made in other States and expect significant acreage to progress to the post-eradication phase within the next few years. In FY 2001, Texas passed referenda to add 1.9 million acres to the program from the Southern High Plains/Caprock, Northern High Plains, and Southern Blacklands areas; New Mexico passed referenda to add 30,000 acres in Roosevelt and Curry counties; Missouri passed referenda to add the entire State (350,000 acres); and Arkansas passed referenda to add 120,000 acres in the Northwest Ridge to the program. The program projects to eradicate BW from all cotton growing areas of the U.S. and northern Mexico by 2005, in cooperation with States, the cotton industry, and Mexico. Through APHIS' continued oversight in active eradication and non-infested areas, we have demonstrated our ability to effectively manage plant pests that threaten agriculture.

In FY 2001, the Farm Services Agency (FSA) issued $94.6 million in low-interest loans to grower foundations to fund startup costs for new eradication programs and operating capital for existing programs. These funds were distributed as follows: $69 million to the Texas Boll Weevil Foundation; $14.1 million to the Tennessee Boll Weevil Foundation; $6.2 million to the Missouri Boll Weevil Foundation; $5 million to the Arkansas Boll Weevil Foundation; and $300,000 to the New Mexico Boll Weevil Foundation. FSA is likely to loan an additional $85 million in FY 2002, consisting of: $70.2 million to Texas. $5 million each to Arkansas and Oklahoma, $4.4 million to Missouri, and $400,000 to New Mexico. These loans have met a critical need in enabling eradication programs to continue. After FY 2002, the need for these loans should begin to decline rapidly. As of November 1, 2001, $300 million of FSA loan balances remain to be paid, including the $85 million to be loaned in FY 2002.

The September 11, 2001, terrorist attacks had an unfortunate effect on the BWEP. In FY 2001, the BWEP involved approximately 500 agricultural aircraft applying pesticides to infested cotton fields. It also involved weekly monitoring of over three million pheromone traps, and significant acreage requires daily treatments. For five days after the attacks, treatment aircraft was allowed only on a limited basis. Many treatments were delayed or canceled during this time. When left uncontrolled, the boll weevil can reproduce with a 21-day reproductive cycle and at least 150 eggs per female. In heaviest infestation areas, the treatment disruptions will increase program costs and add at least one year to the eradication timeline. As air traffic restrictions were lifted by mid-September, operations in airspace around larger cities were still limited. The program area most affected by this continuing restriction was a 30-mile "no-fly" zone around Memphis, Tennessee. This area includes about 220,000 cotton acres in west Tennessee, northwest Mississippi, and northeast Arkansas that is the most heavily-infested in the country. The program went over 30 days without an aerial application on any of these fields. This may result in at least a $7 million increase in program cost in 2002, assuming the necessary treatments can be applied next year.

4. Brucellosis

The State-Federal-Cooperative Brucellosis Program goal is to eradicate Brucella abortus from the bovine population and Brucella suis from the swine population of the United States. This program protects cattle and swine industries valued at more than $71 billion. As a result of the program, annual losses for lowered milk production and reduced breeding efficiency have decreased from more than $400 million in 1952 ($2.6 billion in 2000 dollars) to less than $1 million today. Consumers have benefited from lower prices than would have been available without this progress. This program also reduces the public health risk to humans.

APHIS continued to make significant progress in the National Brucellosis Eradication Program in FY 2001. The number of newly disclosed affected herds under quarantine continued to decline. There were 3 affected herds disclosed in FY 2001, compared to 14 in FY 2000, a decline of 79 percent. In addition, there were zero herds at the end of October 2001, compared to 3 on the same date a year earlier.

Three States, Florida, Oklahoma, and South Dakota, attained Class Free status during FY 2001. While no states lost their Class Free status in FY 2001, 2 Class Free States, Kansas and Arkansas, each disclosed 1 affected herd in FY 2001. APHIS quickly depopulated both herds and conducted the necessary epidemiology with no further infection found. Both States were able to retain their Class Free status. As of September 30, 2001, 48 States including Puerto Rico and the Virgin Islands held Class Free status and two States, Missouri and Texas, held Class A status. Of the Nation's 34 million beef cows, 78 percent are located in Class Free States and 22 percent are located in Class A States. Of 9.2 million dairy cows in the country, 94.5 percent are in Class Free States and 5.5 percent are in Class A States.

The table below shows data for FY 2000 and FY 2001 in various brucellosis categories. Of the 11.1 million cattle tested for brucellosis in FY 2001, 1.2 million (11 percent) were sampled on farms or ranches and 9.9 million (89 percent) were tested under the Market Cattle Identification (MCI) program. Of the 9.9 million tested under the MCI program, 6.1 million were collected at slaughter plants and the remaining 3.8 million were collected at stockyards.

Category	FY 2000	FY 2001	Difference	% Change
Herds Under Quarantine for Brucellosis	3	0	-3	-100%
Cattle Tested for Brucellosis (in thousands)	10,800	11,100	300	2.7%
New Affected Herds	24	3	-21	-87.5%
Affected Animals	1,785	1,435	-350	-19.6%
Affected Herds	24	6	-18	-75.0%
Calves Vaccinated (in thousands)	4,700	4,400	-300	-6.4%

In FY 2001, there were 6 affected herds, a 75 percent decrease from the 24 affected herds in FY 2000. These herds were located in Arkansas, Florida, Kansas, Missouri, South Dakota, and Texas. The herds in Florida, South Dakota, and Texas were carried over from FY 2000 and the herds in Arkansas, Kansas, and Missouri were newly affected in FY 2001.

The 3 newly affected herds were depopulated at a cost of $211,153. APHIS spent an additional $47,000 to purchase cattle that were traced out of affected herds. Depopulation continues to be the preferred method of handling affected herds under the Emergency Action Plan. APHIS vaccinated 4.7 million calves for brucellosis in FY 2001 compared with 4.4 million in FY 2000.

Management of brucellosis continued to be an issue in Yellowstone National Park (YNP) and in the greater Yellowstone area during FY 2001. In December 2000, the Departments of Agriculture and Interior signed a Record of Decision (ROD) for a bison management plan for the State of Montana and the YNP. The State of Montana also published a ROD, incorporating the same bison management plan. While the bison management plan does not actually focus on eradicating brucellosis, it does focus on managing bison to minimize the risk of brucellosis transmission. APHIS' next step is to work with other involved agencies to develop a brucellosis elimination plan for the Greater Yellowstone Area (GYA). This plan will include elk.

Research continued on the use of RB51 vaccine in bison, in anticipation of its potential use in eradication efforts in the GYA. In FY 2001, approximately 1,600 bison migrated out of the Park, but were successfully hazed back within the Park's boundaries. Of these, APHIS captured and tested 14 bison. Nine bison tested negative and were released and 5 tested positive and were removed.

Swine: In FY 2001, no additional states attained brucellosis-free status. Currently, there are 46 validated-free states. The remaining four States, Arkansas, Florida, Louisiana, and Texas, are in non-validated status and are considered Stage II. At the end of FY 2001, there were no infected swine herds in the United States.

During FY 2001, APHIS discovered 9 newly infected herds, a reduction of 80 percent from the 54 herds discovered in FY 2000. APHIS depopulated these 9 herds (905 swine) from 4 States in FY 2001. Of the 9 herds, 3 were in Arkansas; 2 were in Louisiana; 1 was in Oklahoma; and 3 were in Texas.

5. Emerging Plant Pests (EPP)

APHIS addresses a wide range of plant pest infestations and diseases that threaten agriculture, natural resources, or public health not covered through other programs. Program activities include delimiting surveys, control or eradication treatments, epidemiological studies, laboratory diagnostics, and parasite releases to combat emerging pests. In FY 2001, this program focused on the following programs:

Asian Long-horned Beetle (ALB): In FY 2001, APHIS devoted $2.1 million from the EPP line item to fund ALB activities in New York State and Illinois. This amount, which supplemented emergency funds provided from the Commodity Credit Corporation, consisted of $1.1 million for surveys to determine the beetles' scope, $800,000 for tree removal, and $200,000 for methods development activities. USDA's goal is to prevent future ALB introductions without jeopardizing the $116 billion trade market between the U.S. and China. In FY 2001, APHIS continued to reduce ALB populations in areas that had been heavily infested and the tree removal effort has made outstanding progress. However, the beetle continues to spread in metropolitan areas and infested trees continue to be found in the regulated areas. In fact, ALB infestations as of October 1, 2001, still cover approximately 178 square miles, with approximately 21 square miles having been discovered in FY 2001. In addition, the regulated areas in both States increased in 2001 due to the detection of new infestations. As of October 1, 2001, 121 square miles in NYS were regulated - an increase of 19 square miles from October 1, 2000. The regulated area boundary expansion now covers the width of the lower end of Manhattan and includes the area between the Brooklyn/Queens regulated area and the Bayside/Flushing regulated area. In Illinois, the total of regulated square miles is 31 - an increase of 9 from FY 2000. The regulated area in Illinois now covers primarily the Ravenswood, Loyola, and Kilbourn Park areas on the north side of Chicago; as well as smaller areas in Addison, Summit, Park Ridge, and near O'Hare Airport. Also in FY 2001, USDA scientists and APHIS methods development personnel continued to work with Chinese officials to develop better control methods and treatment techniques.

Japanese Beetle (JB): Program activities are designed to exclude and treat JB that hitchhike on airplanes destined for protected States from generally infested areas. The following airports/facilities were regulated for JB in FY 2001: Airborne Express in Wilmington, Ohio; the Federal Express and U.S. Postal Service facilities in Indianapolis, Indiana; Dover Air Force Base in Delaware; Rickenbacker Air National Guard Base in Columbus, Ohio; Martinsburg Air Force Base in West Virginia; and Wright/Patterson Air Force Base in Ohio. APHIS continued applying treatments to prevent the spread of JB from infested to non-infested States. Also, the Agency worked with industry, the National Plant Board, and States affected by the nursery stock trade to maintain the JB harmonization plan. In addition, the program continued to explore integrated pest management strategies to reduce pest risk at regulated airports. These strategies involved evaluating control methods, new chemical turf treatments, and cultural control. Cultural control includes planting non-host materials and eliminating host plant materials in surrounding areas.

Pine Shoot Beetle (PSB): Since the first PSB detection in Ohio in July 1992, program surveys have detected PSB in 12 States: Illinois, Indiana, Maine, Maryland, Michigan, New Hampshire, New York, Ohio, Pennsylvania, Vermont, West Virginia, and Wisconsin. In FY 2001, APHIS continued survey and regulatory activities, focusing on surveys at the leading edge; detection surveys consisted of servicing traps and bait logs; and visual surveys to determine the pest's distribution through natural and artificial spread. In response to PSB detections in contiguous counties of Maine, New Hampshire, and Vermont, the Agency initiated regulatory procedures and established quarantines in these States. All three States are working to establish parallel quarantines. However, State officials and industry have expressed concern regarding a lack of viable regulatory options for the interstate movement of pine bark mulch from PSB-regulated areas. Pine bark mulch production is a multi-million dollar industry in these States. APHIS continues to work with the Forest Service to develop and implement regulatory options for pine bark mulch. Since November 1992, APHIS and the States have conducted regulatory actions to control the interstate movement of regulated articles out of the quarantine area. The infested States support the cooperative program with parallel quarantines and in-kind cost sharing. These regulatory activities prevent the artificial movement of the PSB from infested to non-infested areas in the United States.

6. Golden Nematode (GN)

GN Survey: By conducting a statewide GN survey of areas used for potato seed, processing, and tablestock potatoes, this cooperative program enabled the export and interstate shipment of a wide variety of agricultural products, without restriction from any GN-related phytosanitary concerns. In FY 2001, APHIS collected and examined 11,323 soil samples from 6,361 acres in 20 New York State counties. Counties surveyed included Allegany, Cayuga, Chemung, Clinton, Erie, Essex, Franklin, Genesee, Livingston, Madison, Oneida, Orleans, Seneca, Steuben, Suffolk, Tioga, Tompkins, Wayne, Wyoming, and Yates. There were no new detections of GN in FY 2001.

GN-Resistant Potato Variety Development: APHIS continues to support the development of GN-resistant potato varieties at Cornell University through a cooperative agreement. This control method has been highly effective in reducing GN populations in infested fields. Several decades of breeding these varieties are resulting in increased quality and quantity, and are allowing growers greater latitude in complying with the crop rotation scheme used to control GN. With the emergence of a second race of GN, development of marketable potato varieties which control GN race 2 has become a top priority for the cooperative potato breeding project. APHIS plans to increase the cooperative agreement funding to accelerate development of GN race 2 resistant potato varieties.

Through the planting of GN-resistant varieties and other activities, this program protects several crops in New York State, particularly potato, tomato, and eggplant. These crops are worth $80

million annually to the State's economy, and $5.7 billion nationally. The inclusion of other soil-bearing commodities that could come under regulation, such as nursery and ornamentals, will increase this figure at least threefold. By proving that most agricultural production areas of New York State are free from GN infestation, the program enables shipment of New York State agricultural products (onions, nursery stock and potatoes) valued at approximately 42 million dollars annually. If the GN program were not in place, shipment of these products would likely be severely restricted or prohibited.

GN Review Panel: In FY 2001, APHIS continued to address recommendations from a 1997 GN review panel representing APHIS, the National Plant Board, the potato growers' industry, and the Agricutural Research Service. For example, the panel recommended that the program attempt to develop other effective control methodologies. In this regard, we continued to carry out a vigorous program of pressure washing used farm equipment to prevent intrastate movement of GN. Also, APHIS and ARS continued to actively pursue field deployment of a steam heat treatment to replace methyl bromide fumigation in treating GN-contaminated farm equipment to prevent GN spread. This new treatment has been approved for field use pending publication in the Federal Register. In addition, the panel recommended that the program continue to intensely manage GN in New York State. The State currently requires and enforces the planting of GN-resistant potato varieties on GN-infested land, but not on exposed land which is in close proximity to infested land. The GN Technical Work Group, which consists of State, Federal, and university cooperators along with grower representatives, is working toward a total containment concept that would include planting of GN-resistant varieties on all land at risk (exposed) of GN infestation to prevent GN development on such properties. This is a primary goal for FY 2002. APHIS continues to survey exposed land to detect the onset of new GN infestations and recommend to New York State the regulation of any newly detected infested land.

Program personnel, in cooperation with our Center for Plant Health Science and Technology, will seek to accelerate development of GN resistant potato varieties in FY 2002 and to assist with development of a Geographic Imaging System (GIS) based system to improve mapping and data management for GN regulated properties. This will aid in precise mapping and identification of GN regulated areas which has been requested by other countries as a prerequisite for accepting agricultural exports.

7. Gypsy Moth (GM)

APHIS works to prevent the artificial, long distance movement of the European Gypsy Moth (EGM) to uninfested areas of the United States. Currently, this program includes survey, control, and regulatory activities. We conduct survey activities in cooperation with the States to detect and delimit isolated populations outside of the generally infested area. Surveys support the regulatory program and provide a basis for initiating control activities. During FY 2001, APHIS and cooperators placed approximately 300,000 pest detection and delimitation traps throughout uninfested areas of the United States.

We continued to conduct regulatory activities within the generally infested area, which include the inspection, treatment, and certification of regulated articles such as logs, mobile homes, nursery stock, and outdoor household articles (OHA), for movement from infested to non-infested areas. Program personnel cooperate with State agricultural inspectors to conduct inspections and certify shipments of non-OHA regulated articles. Because of the large number of household moves out of the generally infested area (estimated to exceed 250,000 per year), self-inspection is necessary to supplement State and Federal resources for the regulatory control of OHA movement. The "Slow the Spread" program continued in nine States along the leading edge of the EGM infestation in FY 2001, and APHIS supported an "Enhanced Regulatory Program" through cooperative agreements with Illinois, Indiana, Michigan, North Carolina, Ohio, Virginia, West Virginia, and Wisconsin.

We made available approximately $33,500 to each State to educate the public and industry on the potential for artificial spread of GM.

APHIS used contingency funds for GM control activities in FY 2001, in cooperation with the States and the FS, to eliminate identified isolated infestations. APHIS is responsible for all isolated infestations not exceeding 640 acres that occur on State or private land.

8. Imported Fire Ant (IFA)

The IFA is established in the following States: Alabama, Arkansas, California, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas, and Puerto Rico. In FY 2001, APHIS worked to prevent further IFA spread by enforcing the Federal quarantine and cooperating with infested States to regulate articles capable of spreading the pest, such as nursery stock and soil-moving equipment. Also, the Agency evaluated the efficacy of regulatory treatments for preventing further IFA spread and revised regulations and procedures as necessary. In addition, APHIS worked with States, industry, and other Federal agencies to develop promising new chemicals and biocontrol agents.

We carried out shared responsibilities with the States, which included conducting detection and nursery surveys; compliance monitoring; enforcement of the quarantine of nursery and greenhouse plants; and the production, field release, and evaluation of promising biological control agents.

The relatively new product Fipronil is highly effective as an IFA quarantine treatment for nursery potting soil, grass sod, and balled and burlapped nursery plants. The Fipronil label for use in nursery potting media has been approved by the EPA, and this insecticide is currently pending approval for use both in potting soil and on grass sod in the Federal quarantine by next spring. Fipronil is considered a high priority for our quarantine program because it will offer nursery growers a substitute for Dursban (an organophosphate insecticide) which is used at a very high dose rate of 8 pounds per acre on grass sod.

9. Noxious Weeds

APHIS cooperated with Federal, State, and private organizations to detect and rapidly respond to several incipient infestations of invasive plants in FY 2001, including follow-up survey in response to FY 2000 detections of branched broomrape (*Orobanche ramosa*), a parasitic plant, in additional Texas counties; and small broomrape (*Orobanche minor*) in Oregon cloverseed production. The Oregon program included survey and eradication program design activities supported by APHIS contingency funds. Detections of giant salvinia (GS) were identified in Arizona, California, Louisiana, North Carolina, and Texas. In response, we performed additional survey for GS in the aquatic trade in both the Eastern and Western regions. The Georgia Department of Natural Resources recently reported that both infestations identified in FY 1999 have been eradicated. We provided $170,000 from noxious weeds line item funding to the States for supplemental aquatic nursery survey in coastal States in FY 2001, which supplemented $240,000 provided from the biocontrol line item for biocontrol evaluation. We continued monitoring activities in cooperation with the National Park Service of an infestation of GS found in FY 2000 in a Washington, D.C., aquatic garden. We also continued follow-up activities with the nursery identified as the source of the infestation. State and other Federal agencies, including the Fish and Wildlife Service and Bureau of Land Management, provided funding for herbicidal control for areas with low densities of GS, where public health, industrial, and recreational concerns are present.

APHIS is participating in a GS control/eradication program in the lower Sabine River basin of Texas and Louisiana in cooperation with chemical and mechanical, biological control organisms,

and quarantines. Cooperators may include ARS, the Fish and Wildlife Service, Louisiana Department of Wildlife and Fisheries, Texas Parks and Wildlife, and others. After publishing an environmental assessment (EA) in July and responding to comments received, the project received a "finding of no significant impact" in September and a release permit for the biocontrol agent was issued on October 1. We are also working with stakeholders to assess what steps are needed to respond to other GS infestations of concern in the lower Colorado River region, and more recently, in North Carolina. While the earlier EA will be useful, additional data may be needed in regard to non target species in affected areas, along with supplemental documentation and permits.

In the western States, APHIS continued to cooperate in the eradication and/or survey of giant hogweed, goatsrue, *Salsola vermiculata*, and onionweed in FY 2001. In the East, we assisted a number of States in the eradication and/or survey of Tropical Soda Apple, giant hogweed, and goatsrue. We also continued to cooperate with researchers at Mississippi State University to conduct an eradication demonstration project for Kudzu in northeastern Mississippi. The goal of the program is to establish a cooperative program to assist landowners in eliminating kudzu from their properties.

The Agricultural Risk Protection Act of 2000, which consolidates most of APHIS' statutory authorities, significantly broadens the definition of noxious weed and otherwise enhances the Agency's ability to address noxious weed problems. APHIS published an advance notice of proposed rulemaking in March 2000, soliciting comments on proposals to strengthen the noxious weed regulations. The public commented on weed categories, weed risk assessment and permitting issues, and how to prioritize resources for existing and future weed programs. These public comments are relevant to developing regulations under the new authority. After meeting with the National Plant Board, APHIS drafted an action plan which proposes a mission statement for the new noxious weed program, describes its components and recommends goals, strategies, and action priorities for FY 2001-2002. As of mid December 2001, the document is under review by the Office of Management and Budget. Upon completion, APHIS will finalize the noxious weed policy and begin implementing the new strategies. The Agency is planning to publish a proposed rule to strengthen the noxious weed regulations and will hold public meetings during the comment period.

10. Pink bollworm

In FY 2001, the cooperative pink bollworm (PBW) sterile release program continued to protect cotton in the San Joaquin Valley (SJV) of California. No new infestations were found outside the regulated area. This program trapped 70 native (non-sterile) moths, compared to 154 in FY 2000. Trapping fewer native moths demonstrates a reduced risk to cotton. Also, APHIS produced approximately 800 million sterile moths at the Phoenix, Arizona, rearing facility for incremental releases in the SJV. The program continued to improve rearing efficiency and maintained production using less diet material, thereby reducing cost. In addition, program cooperators monitored over 10,000 traps in the San Joaquin Valley to detect any new PBW introductions. Sterile moth releases prevent native moths, which migrate into the San Joaquin Valley from the South, from mating successfully. This prevents the pest from becoming established in nearly one million acres of high yielding cotton. Also in FY 2001, APHIS coordinated an extensive PBW survey involving all cotton acreage in New Mexico, Oklahoma, and Texas. Survey results confirmed the absence of PBW in Oklahoma and most of Texas, allowing APHIS to further delimit the regulated area. In addition, APHIS continued to work with collaborators and cooperators in universities, industry, and the Agriculture Research Service to develop a biologically based pink bollworm management system. Pending positive grower referenda around El Paso, Texas, and Las Cruces, New Mexico, and the necessary federal funding, the system will be implemented in an area-wide eradication program in 2002.

11. Pseudorabies

At the beginning of FY 2001, the United States had 434 pseudorabies quarantined premises. The quarantines were located in the following States: Iowa with 425, Illinois with 1; Minnesota with 6, New Jersey with 1, and Tennessee with 1. Another 233 newly infected herds were discovered in Iowa, 47 new herds in Nebraska, and 7 new herds in Minnesota. Other reported outbreaks were the result of swine movement from one of these States or from feral/wild swine. All but twelve quarantines were released at the end of fiscal year 2001.

During FY 2001, nine States progressed to Stage IV or higher in the national pseudorabies eradication program. The following States advanced in program status: California to Stage V, Illinois to Stage IV, Indiana to Stage III/IV, Massachusetts to Stage V, Michigan to Stage V, North Carolina to Stage V, Ohio to Stage V, Tennessee to Stage IV, and Wisconsin to Stage V. At the end of FY 2001, 41 States were in Stage V, 4 States were in Stage IV, 3 States were in Stage III/IV, 3 States remained in Stage III, and 1 State in Stage II/III.

To address the outbreaks in FY 2001, the Accelerated Pseudorabies Eradication Program (APEP) requested additional emergency funds from the Commodity Credit Corporation (CCC) to continue the depopulation of infected herds with indemnity and to continue enhanced surveillance in high-risk areas. In FY 2001, the USDA used these funds to make indemnity payments of approximately $9.8 million for 213 herds that contained 127,754 swine known to be infected with pseudorabies. Additionally, $5.7 million was provided for enhanced surveillance in high-risk areas, increased slaughter collection, and increased laboratory expenses.

Slaughter surveillance continues to play an important role in identifying newly infected herds. Thirty-six States are now participating in Major Packer Surveillance. The APEP has been very beneficial to the program. Funds from the APEP program have allowed APHIS to depopulate many diseased and/or exposed animals and has allowed for enhanced surveillance.

12. Scrapie

The Voluntary Scrapie Flock Certification Program (VSFCP) monitors participating flocks and certifies those flocks as free of scrapie once they have been in continuous compliance with the program standards for 5 years. As of October 1, 2001, there were 861 flocks enrolled in the program. Of these, 788 were completely monitored (progressing toward certification), 64 of these were certified flocks, and 9 were selective monitored flocks (flock is observed for scrapie but does not progress toward certification). This represents a 38 percent increase in participation during FY 2001.

On August 21, 2001, APHIS published the final rule "Scrapie in Sheep and goats; Interstate Movement Restrictions and Indemnity Program." The rule requires the identification of certain classes of sheep and goats in interstate commerce, provides indemnity for animals required to be destroyed, establishes standards for handling infected and exposed flocks/herds and for approving tests and laboratories, and set standards for State scrapie control programs. This rule will substantially improve APHIS's ability to trace infected and exposed animals and to identify and clean up infected and exposed flocks.

The Secretary of Agriculture declared an emergency and transferred $10 million from the CCC in FY 2000 for an accelerated scrapie effort of which $2.4 million was used in FY 2001. This funding allowed APHIS to confirm 98 cases of scrapie in FY 2001, which represents a 72 percent increase from the prior year; identify 52 new infected or source flocks; implement Phase I of slaughter surveillance; and continue its cooperative work with Agricultural Research Service (ARS) to evaluate live animal tests and genotyping for regulatory use.

APHIS implemented Phase I of the Scrapie Ovine Slaughter Surveillance (SOSS) project. The primary purpose of SOSS is to determine the prevalence of scrapie in sheep in the United States. Once the prevalence work is completed, targeted slaughter surveillance will be used to identify infected flocks for clean up. Twenty-five slaughter plants in thirteen different States are participating in the study covering 5 regions of the U.S. The project consists of four phases: Phase I is the design, planning, and process evaluation; Phase II is the prevalence determination. and Phase III is the data analysis, results and reports. To date, a total of 391 samples from several regions have been submitted to APHIS' NVSL for testing.

APHIS and ARS began the Scrapie Test Validation Project in May 2000. The primary purpose of the project is to determine the reliability and best uses of the third eyelid test and to meet OIE standards for international acceptance of the test. USDA is concurrently assessing the role of genetics in Scrapie and the validity of the Capillary Immunoelectrophoresis test. The Scrapie Test Validation Project was active throughout FY 2001. A total of 1,423 sheep have been tested and genotyped. There were 201 necropsies performed in 2001. Additionally, 255 animals were moved to Ames, IA and 38 animals to DuBois, ID for quarantine. Blood from quarantined animals is currently being used to evaluate the capillary electrophoresis test.

13. Tuberculosis

The program goal is to eradicate bovine tuberculosis from the United States. Since 1917, the prevalence rate of tuberculosis in cattle herds tested in the United States has dropped from 5 percent to .001 percent, a reduction of close to 5,000 percent. The combined Federal/State cost of this program since its inception in 1917 has been estimated at $696 million. Studies indicate that losses to the United States with no program would have been substantially greater, at over $1 billion per year. Primary program tools include the traceback and testing of cattle herds from which infected animals were identified at slaughter, testing of suspect cattle, epidemiological investigations, and depopulation. In the past, the primary barriers for this program were tuberculosis in captive cervids, large dairy herds, and cattle from Mexico. Today, these barriers have mainly been addressed. No captive cervid herds are known to be infected with bovine tuberculosis and there has been a decline in cases seen in Mexico-origin cattle. In addition, we are beginning to understand the dynamics of tuberculosis in large dairy herds. Now, the most serious barrier to the program's success is tuberculosis infection in wildlife and in susceptible species that could transmit disease to domestic livestock.

To address these barriers, the Secretary of Agriculture declared an emergency in October 2000, and released $60 million from the CCC. The declaration enables the Agency to protect public health from this zoonotic disease and allow the U.S. livestock industry to become more competitive in the global market. Funds are now available to allow more rapid and complete response to tuberculosis outbreaks and for implementation of a comprehensive strategic plan for the eradication of bovine tuberculosis. The comprehensive plan includes eliminating the infected and high risk large dairy herds in the El Paso milkshed area, addressing the disease in the wildlife population, and dealing with the international trade aspects of the disease such as regionalization.

At the end of FY 2001, 48 States, Puerto Rico, and the U.S. Virgin Islands were in accredited-free status for bovine tuberculosis in cattle and bison. The remaining 2 States, Michigan and Texas, were in modified accredited status and split-state status, respectively. The State of Michigan is currently classified as modified accredited due to the disclosure of 15 tuberculosis affected cattle herds in the State over the past 3 years. However, we are working with State officials to develop split state requirements that will advance the eradication of tuberculosis in Michigan. The State of Michigan expects to submit its application to APHIS for split State status in January 2002.

Since the Secretary's declaration of emergency, program officials have tested every dairy cow, approximately 300,000 animals, in the State of Michigan. Recently, officials have begun testing the State's beef cow population, estimated at 1 million animals. Presently, we are assisting the Department of Natural Resources (DNR) with collecting samples for the 2001/2002 hunter-killed deer survey in Michigan. The DNR expects to collect and test up to 26,000 samples by the end of the deer hunting season.

During 2001, APHIS disclosed 11 newly affected cattle herds. Seven of these were beef herds and four were dairy herds. The beef herds were located in Kansas (1), Michigan (5), and Texas (1). We suspect that the infected beef herds in Michigan are associated with infection in free-ranging deer. APHIS is conducting epidemiologic investigations on the two beef herds in Kansas and Texas. The dairy herds were located in Texas (2) and Michigan (2). We suspect that the herds in Texas became reinfected with bovine tuberculosis after they were released from quarantine due to a previous infection. The 2 dairy herds in Michigan appear to be infected as the result of exposure to an endemic population of free-ranging white-tailed deer. In addition, four herds were carried over from the previous fiscal year. No captive cervid herds affected with bovine tuberculosis were discovered during FY 2001.

14. Wildlife Services - Operations

The mission of APHIS' Wildlife Services (WS) operations is to provide Federal leadership in managing wildlife conflict. We recognize that wildlife is an important public resource greatly valued by the American people. By its very nature, however, wildlife is a highly dynamic and mobile resource that can damage agricultural and industrial resources, pose risks to human health and safety, and affect other natural resources. The Agency carries out the Federal responsibility by resolving problems that occur when human activity and wildlife conflict with one another.

Protecting American Agricultural Resources: At the request of the Michigan Department of Agriculture in FY 1998, APHIS removed a captive deer herd after State wildlife officials confirmed bovine tuberculosis in white-tailed deer on a private ranch in Presque Isle County. The Agency worked with the resource owner and State officials to depopulate the infected herd, thereby reducing the disease threat to livestock and other farm animals. We completed the deer removal in 1999, and confirmed the ranch deer-free in FY 2000. We opened a new office in Gaylord, Michigan, and hired six new employees during FY 2001 to assist local producers with minimizing the transmission of bovine tuberculosis from deer to their livestock.

APHIS received increased Federal funding in FY 2001 to provide wildlife damage management assistance to agricultural producers in southeastern Missouri. We opened an office in Portageville at the University of Missouri Delta Agriculture Research Center and hired two wildlife specialists to help alleviate wildlife damage to crops, aquaculture, and to reduce threats to human health and safety.

The Agency conducted livestock protection activities for approximately 10,000 resource owners in FY 2001 in cooperation with private individuals and State, Federal, and local governments. Aerial operations are an important part of an integrated approach to our WS operational activities. This activity is critical, not only in livestock and wildlife protection activities, but also to such operations as wolf capture and relocation, assisting in search and rescue operations, wildlife surveys and censusing, and in the aerial distribution of oral rabies vaccine units. APHIS continues to implement the safety recommendations from the 1998 report, *Safety Review, Evaluation, and Recommendations Concerning the USDA, APHIS Wildlife Services Aviation Program.*

APHIS received additional Federal funding in FY 2001 to assist livestock producers in Virginia with predation on livestock. The new funding allowed us to provide more timely and increased

service to livestock producers in 35 counties. As a result, the predation rate on livestock decreased 45 percent on sheep farms, 58 percent on cattle farms, and 45 percent on goat farms that received our assistance. Moreover, 37 sheep farms with historic coyote predation problems had no predation problems in 2001 because we implemented preventative control measures.

As the Eastern timber wolf population continues to increase in Minnesota, Michigan, and Wisconsin, so have the requests for assistance with wolf predation. The U.S. Fish and Wildlife Service (FWS) estimates the number of wolves to be over 2,600 in Minnesota, 250 in Wisconsin, and 250 in Michigan. In Minnesota alone, APHIS responded to 114 requests for assistance with wolf predation on livestock and other domestic animals during FY 2001. In Michigan, we hired a wolf damage management specialist to assist with management activities related to the increasing wolf population in that State. Our personnel in Arizona and New Mexico continue to cooperate with FWS, Arizona and New Mexico Departments of Game and Fish, livestock producers, and conservation groups with the Mexican wolf reintroduction project. There are approximately 30 reintroduced Mexican wolves in Arizona and New Mexico. These recent releases of wolves in southwestern New Mexico and southeastern Arizona have placed considerable restrictions on the our livestock protection program because of the unpredictable movements of these animals within livestock production areas. During FY 2001, we responded to approximately 30 requests for assistance involving Mexican wolf-human encounters and livestock predation. The population of gray wolves in the Northern Rockies has increased to more than 500 animals in Montana, Idaho, and Wyoming. In FY 2001, our personnel responded to more than 120 requests for assistance in these three States, a decrease from the past year which we attribute to livestock producers becoming more knowledgeable about identifying potential wolf problems, thus decreasing the number of non-wolf (e.g., coyote) investigations that we need to conduct. In addition, APHIS personnel in Idaho have increased the use of specialized electronic frightening devices called RAG (Radio-activated Guards) boxes that our NWRC developed. Livestock producers and/or APHIS personnel place the devices around livestock pastures where wolves might appear; if a wolf that is wearing a radio collar gets near the box, it emits loud noises and flashing lights to frighten the wolf from the area, thus protecting the resident livestock.

Management of black bear damage was an important activity for several eastern States in FY 2001. APHIS received requests for assistance with bear problems in Wisconsin, New Hampshire, Louisiana, Maine, Massachusetts, Georgia, and Mississippi. New Hampshire and Maine used more than 5,000 yards of temporary fencing to protect apiaries and other resources from bear damage. Wisconsin and New Hampshire alone logged over 1,500 bear complaints during the year. In some cases, we captured nuisance bears and translocated them to other areas to prevent further damage. Our Wisconsin personnel relocated 336 bears in FY 2001.

With increased Federal funding in FY 2001, APHIS and the West Virginia Department of Agriculture developed the West Virginia Predation Management Program to address coyote predation on livestock. We employed predation management specialists, presented educational programs to livestock producers, and purchased specialized equipment to provide integrated predation management throughout 55 counties in West Virginia.

Protecting Human Health and Safety: APHIS worked closely with State wildlife agencies, the FWS, and local governments in addressing increased problems with non-migratory, resident Canada geese in FY 2001. With the current population exceeding 2 million geese and increasing exponentially, this growing bird population is a primary concern in the eastern and central U.S. At the same time, concerns with resident Canada geese are increasing significantly in Oregon and Washington. Problems include threats to air safety at airports and air bases, fecal contamination of water supplies and recreational beaches, and damage to lawns, turf areas, and agricultural resources such as seed production.

Several eastern States, including Vermont, New York, Pennsylvania, Ohio, and West Virginia, participated in a coordinated oral rabies vaccination program (ORVP) during FY 2001. The purpose of the vaccination was to prevent raccoon rabies, a unique variant of the virus, from spreading into uninfected areas in the midwest and further into Ontario and Quebec, our international partners to the north. The current ORVP strategy involves the distribution of fish-scented baits, mostly by air, that contain vaccine effective in orally immunizing raccoons in defined barriers. We create these immune barriers at strategic locations along the leading edge of the current distribution of raccoon rabies (as determined by contemporary surveillance) to prevent raccoon rabies from spreading beyond the barrier. Raccoon rabies, like other variants, is invariably fatal if not treated in a timely fashion. The costs of living with this variant are high as are the anxiety, trauma, and stress caused to humans who live in areas affected by raccoon, as well as other variants of rabies. Several wildlife species account for over 90 percent of all reported animal rabies cases in the U.S. each year; raccoon rabies accounts for at least 50 percent of all wildlife rabies. In the absence of an ORVP, officials estimate the annual costs associated with rabies would range between $300 - $450 million. Since raccoons live in close proximity to humans, the costs associated with raccoon rabies would be substantial. APHIS established a Wildlife Rabies Management Team in FY 1998 to plan and coordinate rabies control work with cooperating States and others. The primary cooperators and stakeholders include the State departments of health, agriculture, and wildlife; the Centers for Disease Control and Prevention; Cornell University, the University of Georgia (Southeastern Cooperative Wildlife Disease Study), Ohio State University, and Tufts University; Ontario Ministry of Natural Resources; and the Province of Quebec. Our personnel assisted cooperators in FY 2001 to combat raccoon rabies by distributing approximately 3 million oral rabies vaccine baits over a 8,500 square mile area in Ohio, West Virginia, Pennsylvania, New York, and Vermont. To date, these oral vaccination efforts show good promise for containing raccoon rabies. In FY 2001, we also participated in several smaller raccoon ORVP and rabies surveillance projects in Florida, Alabama, Virginia, Maryland, and Massachusetts. Collectively, we design these projects to examine biological and epidemiological aspects of rabies control that should enhance the larger national wildlife rabies control strategy. APHIS continues to assume an important cooperative role with the Texas Department of Health and several other agencies and organizations in the highly effective ORVP in south Texas to prevent the canine strain of rabies from re-emerging in coyotes in the U.S. This project has eliminated the canine strain of rabies from all areas in south Texas except from within the immune barrier maintained along the Rio Grande to prevent re-infection from the south. The maintenance barrier in FY 2001 was the same as in FY 2000, covering approximately 11,000 square miles by distributing approximately 750,000 vaccine laden baits. In addition, the Agency is an important funding and operational partner with the Texas Department of Health in ORVP efforts to contain gray fox variant of rabies in west central Texas. In 2001, we distributed 900,000 baits over 9,000 miles to contain a unique strain of gray fox rabies in Texas.

Airports report approximately 3,600 wildlife strikes to civil aircraft each year, and the U.S. Air Force alone reports more than 2,500 strikes. The requests for assistance in managing wildlife hazards at airports and military air bases continue to increase. APHIS provided full-time assistance to O'Hare, Midway, and Meigs Field Airports in Chicago; Cincinnati-Northern Kentucky Airport; Dulles Airport in Virginia; Atlantic City International in New Jersey; Ronald Reagan National Airport in Washington; Orlando, Sarasota-Bradenton, Pensacola, Ft. Lauderdale, and Ft. Myers Airports in Florida; and, Sacramento and Los Angeles International Airports in California. In FY 2001, our personnel provided wildlife hazard management assistance to 393 airports. Our wildlife biologists conducted 118 direct assistance and technical assistance projects on these airports for the protection of human health and safety and property. In addition, we have full-time personnel stationed at Whiteman Air Force Base in Missouri, Homestead Air Reserve Base in Florida, and Langley Air Force Base in Virginia. We received requests to provide assistance at Tinker Air Force Base in Oklahoma to reduce wildlife hazards to military aircraft. This project involved extensive hazard assessments, management plans, and direct control implementation.

APHIS continues to direct the cooperative program to prevent the inadvertent introduction of the brown tree snake (BTS) from Guam to other Pacific Islands, Hawaii, and the U.S. mainland. During the year, the Department of Defense (DOD) allocated $1million to help fund the BTS program in Guam. The Agency has trained 14 Jack Russell terriers to detect snakes in outbound military and civilian cargo at transportation facilities. Our wildlife specialists also use traps, glue boards, barriers, nighttime fence-line searches with spotlights, habitat modification, and prey-based removal to control the BTS. To keep BTS out of Hawaii, APHIS established a protocol for responding to snake sightings in Hawaii and has provided traps and equipment to airport facilities in Hawaii as part of BTS contingency plans.

APHIS personnel in many western States continue to respond to State and local authorities requesting direct control and technical assistance services for increased human conflicts with coyotes, mountain lions, and black bears. In FY 2001, human-wildlife conflict occurred on a regular basis in southern California urban areas. We responded to several incidents of coyotes attacking humans and pets by taking corrective action to remove the target animals. In addition, the Agency received increased requests for assistance with feral or escaped animals, such as wolves and mountain lions, and provided assistance in Ohio with both of these species due to human health and safety concerns.

Protecting Natural Resources: APHIS continues to cooperate with various State and Federal agencies to protect reintroduced black-footed ferrets from predators and to monitor for diseases that may impact ferrets in Montana, Wyoming, Colorado, and other States where the government has reintroduced ferrets. We continued to assist State and Federal wildlife officials in California and Nevada with protecting Sierra Nevada and Desert Bighorn sheep from mountain lion predation. Several other western States, such as Utah, Texas, and Idaho, continue to increase their involvement with the State wildlife agencies to protect big game and upland game species.

Our personnel continued to provide assistance to the U.S. Navy at Guantanamo Bay Naval Station, Cuba, to reduce the feral cat population in accordance with an Armed Forces Pest Management Board request. The feral cats prey on endangered lizards, endangered sea turtle hatchlings, and native wildlife. The Agency also continues to assist with reducing feral goat and white-tailed deer damage to native vegetation. We captured, sterilized, and either released the feral goats into a holding area or donated them for human consumption through designated means.

APHIS continued the threatened and endangered species protection project in Florida, which now protects 15 wildlife species. Our operations included predator control at St. Lucie Inlet State Preserve, Hobe Sound National Wildlife Refuge, Rookery Bay National Research Reserve, and the Florida Panhandle to protect sea turtle nests; predator control to protect several species of endangered beach mice; and feral swine control at Jonathan Dickenson State Park to protect threatened and endangered plants. Sea turtle nesting success is at an all-time high and predation is at an all-time low; our personnel reduced predation at the Hobe Sound National Wildlife Refuge from an annual average of 70 percent of all nests to 20 percent.

In Puerto Rico, APHIS provided assistance to the U.S. Forest Service's Caribbean National Forest to protect the endangered Puerto Rican Parrot from predators and to protect humans from rabies transmitted by mongooses, feral dogs, and feral cats.

The Agency worked closely with the Louisiana Department of Wildlife and Fisheries, the Black Bear Conservation Committee, and other agencies to increase public awareness about the Louisiana black bear, a Federally-listed threatened species in Louisiana, Mississippi, and Texas. APHIS and its partners continue to emphasize the need to publicize the importance of reporting black bear conflicts rather than harming offending bears. Because of our expertise with the Louisiana black bear and its recovery, the FWS invited us to participate in the Florida Panther

Recovery Team this year. FWS recognizes that recovery of this highly-endangered species is partially dependent upon resolving problems that the panthers may cause for humans.

APHIS personnel in Massachusetts and Connecticut worked cooperatively with the FWS on the Monomoy National Wildlife Refuge off the coast of Cape Cod to remove coyotes that were preying upon nesting colonies of threatened and endangered species of piping plover and roseate terns. Our employees also provided technical assistance for the control of black-crowned night herons, gulls, and great-horned owls preying upon piping plover and roseate tern chicks on five different State and Federal refuges in Massachusetts and Connecticut.

In FY 2001, APHIS provided wildlife damage management classes and guest lectures to graduate and undergraduate classes at the University of Georgia, Clemson University, West Virginia University, Virginia Polytechnic Institute, Auburn University, Mississippi State University, Louisiana State University, Rutgers University, University of Vermont, University of Tennessee, Purdue University, University of Florida, University of New Hampshire, North Carolina State University, University of Wisconsin, Lincoln University, Louisiana Tech, and Ohio State University. Our classes and lectures have been very well-received by both students and faculty, and have been very successful in educating future wildlife management biologists in the importance of addressing wildlife-human conflicts in a professional and responsible manner.

During FY 2001, APHIS personnel in California continued to cooperate with the FWS and DOD to conduct projects for the protection of threatened and endangered wildlife species. The FWS, California Department of Fish and Game, NASA, Chevron, Cargill Salt, and several local municipalities and corporations continue to fund 100 percent of these projects. Ongoing studies continue to show feral animals (e.g., cats), nonnative species (e.g., red fox), and native species (e.g., raccoons, striped skunks, coyotes, and raptors) prey on protected wildlife species.

APHIS program officials continue to work with Federal and State agencies to ensure the conservation of Federally-listed threatened and endangered species such as the gray wolf, California condor, least terns, Louisiana black bear, Canada lynx, jaguar, and several species of sea turtles. While field personnel are working diligently to ensure that field activities do not impact the continued survival of these species, the costs of these efforts continue to impact routine field activities due to the added costs of associated mitigation activities.

In FY 2001, APHIS began collaborative efforts with Georgia Wildlife Services, the University of Georgia, August University in Alabama, and Tall Timber Research Station in Florida for the Wildlife Management and Gamebird Restoration Program. The major focus of this tri-State, Federal, State, and private industry program is to identify how professional predation management enhances population numbers and productivity for a variety of ground nesting birds. The primary emphasis is on the restoration of northern bobwhite quail populations that have declined over 70 percent in the last three decades; part of the decline is due to habitat loss, but the southeastern U.S. managed to support quail populations (as well as habitats for migratory birds, endangered species and endangered ecosystems) on over 1.5 million acres of private lands. In FY 2001, we hired one biologist and three wildlife specialists to work on the predator aspect of this project. In March 2001, our personnel began monitoring predator populations on 2 4,000-acre study areas where we are conducting intensive trapping efforts and will compare those activities with predator populations on two other 4,000 acre study areas where we are not trapping. Though analysis of the first season's data is not yet complete, initial results indicate a significant decline in the predator index on the areas where trapping occurred.

Protecting Property: Humans and wildlife continue to compete for habitat as both populations increase. In FY 2001, APHIS provided technical assistance to approximately 60,000 individuals

in urban and suburban areas concerned with wildlife damage to property, approximately the same number of individuals as last year.

The Agency's beaver damage management activities in Alabama, Florida, Georgia, Kentucky, Louisiana, Maine, Mississippi, North Carolina, South Carolina, Tennessee, Wisconsin, and Virginia throughout FY 2001 averted the impending loss of an estimated $23.7 million in damage to forest and agricultural resources, waterways, and highway infrastructures. The benefit-cost ratio of our services was 6.12 to 1, or $6.12 saved for every $1 spent.

The Indiana Department of Natural Resources and APHIS continued their partnership efforts by providing a toll-free telephone service for Indiana residents. The 1-800 Nuisance Wildlife Hotline service has been in effect since July 1998 and continues to provide a vital link between Indiana residents and APHIS. Similar toll-free services are available in Maryland, Wisconsin, and Vermont through cooperative relationships with the State Department of Natural Resources, State Department of Agriculture, or State Department of Health.

15. Witchweed

APHIS participates in a cooperative Witchweed Eradication Program involving the North Carolina Department of Agriculture and Consumer Services and the South Carolina Department of Plant Industry. In North Carolina, APHIS transferred the responsibility for eradication to the State. APHIS continues to provide financial and technological support to allow the State to complete the eradication of infested acres, conduct post-eradication surveys, and treat new infestations when detected. In South Carolina, APHIS is responsible for eradicating the remaining infested acres. We continue to provide financial support to both States for surveys to verify eradication and treat new infestations found during these surveys. Surveys to provide information on the status of witchweed and regulatory activities associated with infestations assure that agricultural commodities in the United States are not restricted in the global marketplace.

In FY 2001, State and Federal cooperative efforts continued to make progress toward eradication. As the program approaches total eradication, it becomes increasingly difficult to eradicate acres. By the end of the 2001 crop season, the project has reduced the original infestation from nearly 500,000 acres in 1958 down to less than 4,500 acres. The project's refined survey component has been so effective that some additional small fields have been added back into the project's total acreage. However, there is still a net reduction in overall farms and acreage, with one additional county being eradicated in South Carolina. With the gradual elimination of witchweed from known infested sites in North Carolina and South Carolina, it becomes increasingly important to continue field surveys in both states to monitor the effectiveness or eradication and to detect the last remaining witchweed plants in order to prevent their survival. Conversely, if witchweed were allowed to spread into the corn belt, it would cause an estimated 10-percent yield loss of the $20 billion corn and sorghum crop in the United States and could adversely affect our ability to export these crops.

ANIMAL CARE

Goal IV: Ensure the humane care and treatment of animals covered under the Animal Welfare Act (AWA) and the various laws protecting horses.

Current Activities: Under legislation first enacted in 1966 and amended several times thereafter, APHIS carries out activities designed to ensure the humane care and handling of animals used in research, exhibition, the wholesale pet trade, or transported in commerce. Primary emphasis is placed on inspection of facilities, records, investigation of complaints, reinspection of problem facilities, and training of inspectors.

Regulations supporting the AWA, which appear in 9 CFR, Chapter I, Subchapter A, Parts 1-3, provide minimum standards for the handling, housing, feeding, transportation, sanitation, ventilation, shelter from extreme weather, and veterinary care of regulated animals. Birds, laboratory rats, and laboratory mice are currently excluded from these regulations.

APHIS performs prelicensing inspections because, according to statute, applicants must be in full compliance with AWA regulations and standards before a license is issued. After a license has been issued, program personnel perform unannounced compliance inspections and reinspections to verify continued compliance. By law, APHIS is also required to inspect all registered research facilities at least once a year. If violations discovered during a compliance inspection remain uncorrected at the time of the reinspections process, APHIS documents them for possible legal action.

The program also conducts unannounced inspection of registered in-transit carriers and in-transit intermediate handlers to ensure humane care and handling of animals under their custody, and especially to ensure that adequate care is provided when delays in transporting are involved. Registrants must refuse animals if the shipper does not meet regulatory standards. Inspectors carry out their inspections at major airports as resources allow, concentrating their efforts on times when animals are present.

The Pet Protection Act enacted as part of the Farm, Agriculture, Conservation and Trade Act of 1990 sets specific record keeping requirements for licensed dealers that acquire dogs and cats from public or private pounds or shelters. It establishes specific holding periods and requires certification that the holding period has been met. These procedures are an important tool in AWA enforcement efforts; they enable officials to trace the source of each animal, and they also provide a means of comparison with the records of other dealers. The holding period allows pet owners the opportunity to locate missing pets before they may be acquired by licensed dealers.

APHIS also administers the Horse Protection Act (HPA) of 1970 which prohibits the showing, sale, auction, exhibition or transport of sored horses. Sponsors and/or management of shows, sales, auctions and exhibitions have statutory responsibility under the HPA to prevent unfair competition, and must identify sored horses to prevent their exhibition, sale, or use.

APHIS inspectors monitor shows and sales for compliance and oversee an industry self-regulation system known as the Designated Qualified Person (DQP) program which is the primary means of detecting sored horses. Horse Industry Organizations (HIOs) maintaining certified DQP programs participate with APHIS in yearly DQP training seminars and refresher courses. APHIS reviews regulatory policy, procedures, and methods of inspection in consultation with representatives of the horse industry throughout the year in order to maintain and strengthen training programs. DQPs are evaluated for their compliance with all provisions of the HPA regulations.

Selected Examples of Recent Progress:

1. Animal Welfare

APHIS continues to focus resources on conducting quality inspections under the AWA at USDA licensed and registered facilities. The use of the program's risk-based inspection system concentrates activities on facilities where animal welfare concerns are the greatest. With the funding increase in FY 2001, APHIS hired nine new animal care inspectors who, by the end of the year, were being trained and had started to become productive. As a result, the number of inspections increased by 9.5 percent compared to a 1.5-percent decrease in FY 2000 and 14- to 15-percent decreases in previous years. The number of animal care inspectors increased in total from a low of 64 in FY 1998 to 82 by the end of FY 2001. We are in the process of adding more inspectors in FY 2002.

The program continues to make improvements in its computer technology with all field personnel using laptop computers and producing a computer-generated, easy-to-understand inspection report. We have expanded the use of digital cameras, with field personnel documenting incidents of noncompliance and, when necessary, immediately transmitting their photographs to investigators and/or headquarters. During FY 2001, the program implemented and trained field inspectors on a newly developed software program that allows field inspectors direct access to the centralized database and instant transmittal of inspection results. This became totally functional at the end of FY 2001. This technology allowed the program to implement its electronic Freedom of Information Act release of Animal Care inspection reports through the Internet. As part of the program's electronic business, research facilities can now file their annual report online through the Internet. In FY 2001, animal care inspectors continued a series of specialized training courses on care and handling of elephants, use of animals in research, and basic training for newly hired inspectors.

The Alternatives Research and Development Foundation (ARDF) filed a lawsuit in FY 2000 seeking to include rats, mice, and birds under the AWA. After consultation with the Department of Justice, the Department opted to settle by agreeing to initiate a rulemaking to potentially change the regulatory definition of "animal" to include rats, mice, and birds under the AWA's authority. APHIS complied with the FY 2001 Agriculture Appropriations Act which includes language placing a moratorium on changing the definition of "animal."

Responding to both the research community and animal interest groups regarding concerns about the current method of reporting to Congress the number of animals used in research, APHIS published a notice in the Federal Register in FY 2000 requesting comments on how the current reporting categories might be changed. After evaluating the estimated 2,700 comments received, we have made recommendations which are now undergoing review by the Department.

We continue to use innovative settlements as a means to resolve formal complaints issued for AWA violations. These agreements have enabled licensees and registrants who show an interest in improving the conditions for their animals to invest all or a part of their monetary sanctions in facility and personnel enhancements, as well as research to improve the animals' well-being. When warranted, APHIS also sought strict enforcement action in FY 2001. Eleven facilities with a long history of violations had their licenses permanently revoked. Other facilities had their operating privileges suspended from 21 days to as much as 10 years. In one case where other enforcement action failed, APHIS used its authority under the AWA to initiate confiscation procedures. This South Dakota dealer voluntarily surrendered his 51 dogs to a local humane society. The program continued to impose fines on other facilities in violation of the AWA in FY 2001, ranging from $2,000 to $27,500.

2. Horse Protection

Since 1996, APHIS has been working with HIOs certified under the HPA to develop a partnership whereby they can assume greater responsibility for self-regulation. This has included publishing a Horse Protection Strategic Plan in 1998 which has been modified in subsequent years to more clearly define the duties and responsibilities of the Department and the HIOs. In November 2000, APHIS presented to the nine HIOs a draft multi-year operating plan that will better ensure sore horses are not shown and violators would receive minimum penalties that are sufficient to deter potential violators. Following a meeting with the HIOs, APHIS made minor changes to the plan and presented it to them for consideration. In FY 2001, six of the nine HIOs elected to follow the multi-year (2001-2003) Horse Operating Plan. Consequently, at shows attended by USDA where the HIO did not agree to the Plan, violations of the HPA were prosecuted as Federal cases. At those shows where the HIO agreed to the Plan, penalties for violations were assessed by the respective HIO. Although there remain a few minor problems with enforcement issues using the

multi-year plan, APHIS plans to continue offering the plan in FY 2002, possibly with some modifications, for those HIOs wishing to use it.

Between 1999 and 2001, APHIS conducted a pilot study to evaluate new technology to aid in diagnosis of sore horses. In the study, we examined a field test using technology that could be used on-site at shows to confirm illegal activity. It was hoped that this process would add greater objectivity to the inspection process while improving the ability to diagnose sore horses. APHIS was impressed with the technology, however, the cost for developing, using, and maintaining the equipment is currently beyond the scope of the HPA budget which by statute cannot exceed $500,000.

SCIENTIFIC AND TECHNICAL SERVICES

Goal V: Develop and apply scientific methods that benefit agricultural producers and consumers, protect the health of American animal and plant resources, and sustain agricultural ecosystems.

Current Activities: APHIS conducts programs to develop new or improved methods for reducing wildlife/agriculture conflicts, controlling or eradicating harmful plant pests, and applying new technology to assure that the latest genetically engineered viral vaccines are pure, safe, potent, and effective. Additionally, the Agency conducts laboratory testing programs to support disease and pest control and/or eradication programs. Specific program efforts include:

Methods Development: WS methods development activities include programs to develop: methods to mitigate blackbird damage to sunflowers and rice, methods to reduce bird hazards to aviation, techniques to control mountain beaver and bear damage to western forests, methods to reduce rat damage to sugarcane and macadamia nuts, methods for reducing cormorant depredation at aquaculture facilities; and approaches to reduce coyote damage to livestock. Analytical chemistry methodology is developed to support the registration and re-registration of chemicals for small mammals, bird and predator control, and for the identification of potential repellents to support non-lethal wildlife damage management control strategies. During FY 1998, approximately 75 percent of WS methods development resources were used to pursue non-lethal approaches to wildlife damage management.

Biotechnology: Biotechnology has emerged as a force with the potential to improve existing products and spawn new technologies which could benefit agriculture as well as the general U.S. economy. Under its broads authority to protect plant and animal health, the Department has established as regulatory structure for bringing the benefits of genetic research from the laboratory to the marketplace, while protecting against the release of potentially harmful organisms into the environment.

Laboratory testing: The program for testing veterinary biological products is expanding to encompass testing for licensure of products destined for intrastate as well as interstate use, and the testing of genetically engineered products. The veterinary diagnostics program continues to conduct testing in support of the Agency's animal Disease prevention, detection, control, and eradication programs. In FY 1993, APHIS began collecting user fees for this program.

Selected Examples of Recent Progress:

1. APHIS Information Technology Infrastructure (AITI) formerly Integrated Systems Acquisition Project (ISAP)

   The Integrated Systems Acquisition Project continued in FY 2001. The contract with IBM ended on September 30, 2001. Nevertheless, we are continuing but renaming the project and the line-item. It will now be called the APHIS Information Technology Infrastructure (AITI). AITI is

the hardware, software and telecommunications infrastructure that provides employees with office automation, e-mail, Internet access and access to mission critical applications.

During FY 2001, we maintained the Agency Information Technology infrastructure via maintenance contracts that provide technical support, repairs to broken equipment, and software upgrades. We upgraded 25 office automation servers used throughout the Agency. In addition, APHIS provided technology upgrades to more than 2,300 desktop and laptop computers through a new quarterly bulk purchasing process that helps maintain standardized configurations and leverages the buying power of the Agency resulting in cost savings. APHIS acquired an enterprise license for the Microsoft Office Suite that will bring the Agency in line and enhance interoperability with the rest of the Department

Approximately 100 new offices were added to the APHIS wide area network providing more cost effective telecommunications and better service for offices that are increasingly relying on information technology. Engineering support was brought in to aid in continuing network enhancements. APHIS also completed migration to the new FTS 2001 contract for long distance voice and telecommunications services. Security enhancements were made to the IT infrastructure and more robust backup and recovery capacity was deployed.

We deployed another eGovernment application that allows research institutions to file electronically the annual animal use reports required under the AWA. This is part of the Agency's effort to implement the Government Paperwork Elimination Act.

2. Biotechnology/Environmental Protection

Permits, Notifications, and Petitions: The volume of transgenic plants tested in the field and entering the marketplace has reached a plateau which fluctuates slightly from year to year. In FY 2001, APHIS processed 1,444 movement notifications/permits and 1,194 release notifications/permits, compared to 1,234 movement notifications/permits and 927 release notifications/permits in FY 2000. We processed 8 comprehensive permits which allow numerous requests--up to hundreds--on one permit. APHIS continues to encourage innovative research and assure appropriate regulatory oversight at the same time. Since the program's inception in 1987, APHIS has deregulated 54 genetically engineered crop varieties, with one new crop deregulated in FY 2001. Corn is the most active crop with regard to genetically engineered applications. As of December 2001, APHIS has six pending deregulation applications.

In addition, we continue to provide daily Internet updates on field testing and commercialization of new crop varieties. This information is frequently accessed by companies, individual researchers, and others who use this information to track the progress of emerging issues relating to agricultural biotechnology.

Harmonization of Regulations: APHIS continues to foster regulatory harmonization for genetically-engineered plants and micro-organisms. APHIS held AgBiotech Bilaterals with Canada which have resulted in a draft Bilateral Agreement on environmental assessment criteria for transgenic plants and future areas of cooperation. APHIS continued a joint project under the Transatlantic Economic Partnership (TEP) aimed at acceptance by regulatory authorities between the European Union and the United States of the common data requirements that could underlie each other's decisions regarding approval of biotechnology products. Success in the TEP process will facilitate a harmonized approval process for genetically modified plants (GMOs) between North America and Europe.

In cooperation with the Organization for Economic Cooperation and Development (OECD), APHIS has participated in the development of technical regulatory documents concerning the

commercialization of genetically-engineered plants and micro-organisms. APHIS hosted an international OECD conference (LMOs and the Environment) on the science and risk assessment addressing environmental concerns. The Agency has participated in capacity building workshops, many information-sharing meetings with representatives of the European Commission and member governments, as well as the development of U.S. policy in areas such as precaution, traceability, and labeling. These consultations ensure that scientific issues are discussed and that trading partners understand APHIS' regulatory procedures.

APHIS has the lead on the development of a standard addressing plant pest risk issues associated with genetically engineered organisms under the International Plant Protection Convention. In addition, we have has taken a leadership role in addressing certain aspects of the interim phase leading up to the implementation of the Cartagena Protocol on Biosafety. APHIS will be responsible for aspects of any documentation requirements that may be formulated as well as providing information to the database on product evaluations. We are continuing to work with other Federal agencies on these and other issues regarding the protocol.

The Agency continued working with stakeholders to enhance the international harmonization of regulations. APHIS continues to participate in additional biosafety workshops around the world with many developing countries to address safety issues regarding commodities.

National Monitoring and Residue Analysis Laboratory (NMRAL): The NMRAL in Gulfport, Mississippi, continued to provide analytical and organic chemistry support for APHIS' boll weevil, citrus canker, Asian Longhorned beetle (ALB), Oriental Fruit Fly, Mexican fruit fly, and Mediterranean fruit fly programs in FY 2001. NMRAL scientists provided sampling and analysis of worker exposure to chemicals both at the laboratory and at port facilities. NMRAL also performed laboratory analysis for pesticide residues and for industrial chemicals, and analysis for pesticide residues in food commodities for AMS' Pesticide Data Program. In addition, Laboratory personnel analyzed soybean samples for export for the AMS Commodity Certification Program.

NMRAL conducted 8,157 analyses in FY 2001, an increase of approximately 34 percent over FY 2000. Of these, approximately two-thirds supported APHIS programs, with the remainder performed for other agencies on a reimbursable basis. NMRAL personnel conducted 2,806 analyses in support of various ongoing APHIS programs, including imported fire ant, boll weevil, ALB, Oriental fruit fly, West Indian fruit fly, and Medfly. In addition, the Laboratory performed 2,761 analyses in support of studies being conducted on Glassy-winged Sharpshooter and ALB by CPHST's Mission and Otis Laboratories, respectively. In addition, NMRAL personnel conducted 2,590 analyses in support of the AMS' Pesticide Data and Commodity Certification Programs.

Environmental Services (Formerly known as Environmental Analysis and Documentation (EAD) and Data Support): The Evironmental Services (ES) advises and assists APHIS programs on environmental compliance requirements and oversees and maintains pesticides registrations and drug approvals for products used in APHIS programs. ES manages and coordinates the preparation of environmental assessments (EA), environmental impact statements (EIS), environmental analyses, biological consultations, and related technical documents for APHIS programs. ES maintains pesticide registrations and drug approvals for products used in APHIS programs, as required by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). ES also helps the Agency identify emerging alternatives to products that are less environmentally invasive. In FY 2001, EAD completed 34 environmental assessments (EAs), 30 biological consultations, and 2 EIS', in compliance with the requirements of the National Environmental Policy Act (NEPA) and other Federal environmental laws, regulations, and executive orders. ES also completed numerous background documents, such as human health risk assessments and ecological risk assessments, to provide the required analysis in the environmental documents. ES

participated in cooperative ventures that led to more efficient and effective use of government resources and expertise during FY 2001.

In FY 2001, ES participated with Plant Protection and Quarantine (PPQ) and the U.S. Department of the Interior's Fish and Wildlife Service in an initiative to streamline both NEPA and the Endangered Species Act (ESA) processes, especially with regard to issues that facilitate trade and with the importation of biological control agents for laboratory and field research and eventual release in the environment as beneficial species against specific invasive pest species. ES is also cooperating with PPQ on another ESA streamlining initiative for the importation of plants in growing media (referred to as Quarantine 37). In FY 2001, ES secured four new FIFRA Section 18 emergency exemptions, one amended FIFRA Section 18 emergency exemption, three FIFRA Section 24(c) special local needs registrations, and one amended FIFRA Section 24(c) special local needs registration. ES also submitted an application for an experimental use permit and submitted amendments requests for 5 FIFRA Section 3 pesticide registrations and four FIFRA Section 24(c) pesticide registrations. In addition, ES submitted to the U.S. Environmental Protection Agency (EPA) reports documenting APHIS' use of twelve pesticides approved under FIFRA Section 18, and submitted to the U.S. Food and Drug Administration reports documenting APHIS' use of four investigational new animal drugs. During FY 2001, ES coordinated with EPA a draft Memorandum of Understanding to allow American Indian Tribes a mechanism by which to obtain emergency exemptions for pesticides under FIFRA Section 18. ES also cooperated with EPA and various State departments of agriculture to gain approval of two Foot and Mouth Disease disinfectants for use by state agencies, American Indian tribes, the agricultural community, and the general public. Each of these actions requires extensive supporting data and documentation regarding APHIS' use of a product. Besides maintaining the product registrations and approvals, ES prepares quarterly reports on adverse effects incidents of APHIS registered products, as required by Section 6(a)(2) of FIFRA.

ES analysts also cooperated in various forums to ensure that APHIS programs would be able to use, consistent with all laws, regulations, treaties, and other safeguards, the prevention and control tools that have been historically available to them. A table showing a partial listing of programs, tools, and explanations of the processes involved for APHIS is followed by another table which shows the FIFRA Section 18 (Emergency) registrations that were secured by the efforts of these staffs.

Program	Tool	Process
Argentine Citrus	Quarantine	EA preparation
Asian Longhorned Beetle	Imidacloprid	Ensure FIFRA Section 2(e)(e) of Moje, treatment, EA preparation
Boll Weevil	Malathion	EPA risk assessment review, modeling for buffer zones, EA preparation
Broom rape	Quarternary ammoniums	Technical assistance on FIFRA issues, Section 18 application
Citrus Canker	Quarternary ammoniums	Technical assistance on FIFRA issues, Section 18 application, EA's

Program	Tool	Process
Fruit Fly Programs: Mediterranean, Mexican, Melon, Oriental, West Indian)	Malathion Spinosad SureDye Methyl bromide Diazinon Sterile Technique	Technical assistance on FIFRA issues, Section 18 application, EA's, EIS
Gypsy Moth	Dimilin BT	Cooperation with State Dept. Agriculture, EA's
Importation of Fruits and Vegetables	Methyl bromide Aluminum phosphide Magnesium phosphide Carbaryl Chlorpyrifos Resmethrin Misc. Others	Technical assistance on FIFRA issues, issue crisis exemptions under Section 18, provide data to private industry for registration purposes, EA's
Japanese Beetle	Ficam D-phenothrin	Consult on program needs, apply for Section 18's, as needed
Karnal Bunt	Sodium hypochloride Methyl bromide	Section 18 applications, EA's
Pine Shoot Beetle	Methyl bromide	EA's
Plum Pox	Tree Removal	EA's
Port Operations	Misc. Disinfectants	Consult on program needs, apply for Section 18's, as needed, EA's
Solid Wood Packing Material	Methyl bromide	Technical assistance on FIFRA and Montreal Protocol issues, EA's EIS
Treatment Manuals, Miscellaneous Treatments, and Pretreatment measures, EA's	Methyl bromide	Technical assistance on FIFRA issues regulatory uses of Methyl bromide, Section 18 applications, negotiating with EPA in remitigation measures, EA's
Unshu Orange		EA
Witchweed Program	Quarernary ammoniums Methyl bromide/Chloropicrin	Technical assistance on FIFRA issues Section 18 applications

Environmental Services Efforts to Obtain FIFRA Section 18 (Emergency) Registrations:

Animal Programs:

Carbaryl - to remove ectoparasites from birds at USDA/APHIS import centers
Cyfluthrin or permethrin - eradication of exotic ticks from imported reptiles
Acetaminophen - control of brown tree snake in Guam

Plant Health Programs:

Disinfectants (sodium carbonate, sodium silicate, sodium hypochlorite, and sodium hydroxide) - control of quarantine pests around import facilities, containers, and transportation conveyances
Quaternary ammonium compounds - disinfection in citrus canker, witchweed, and broomrape programs
Paraformaldehyde - decontamination of facilities and equipment at Plum Island
Spinosad bait - exotic fruit fly eradication programs, and pending formulation change request
Diazinon - soil drench around nursery stock for Tephritid fruit flies
Methyl bromide/chloropicrin - witchweed eradication
Methyl bromide - pest eradication on importations of specified fruit, vegetables, root and tuber crops, and herbs (currently operating under a 90-day renewal cycle for Section 18)
Sodium hypochlorite - disinfectant in Karnal bunt program
Ficam (until recently canceled by EPA) - Japanese beetle program

3. Plant Methods Development Laboratories

APHIS provides advanced scientific and technological capabilities to protect and improve our nation's agriculture and public health. Methods development supports APHIS programs by optimizing existing pest management practices and by developing new technologies for pest exclusion, detection, survey, and management. This is accomplished by evaluating biocontrol organisms, evaluating new biological and chemical materials, adapting or inventing equipment, providing technical consultation and training, collecting and disseminating pertinent information, participating in strategic and tactical planning, serving as a liaison between APHIS and the research community, and integrating technological advancements into integrated pest management systems. This system maintains both rapid response and long range capabilities for serving APHIS and stakeholders.

In FY 2001, the Otis Plant Protection Center in Massachusetts worked with States, local and foreign governments, universities, industry, ARS, and the Forest Service to develop regulatory treatments, trapping technology, and biologically-based management strategies for various exotic pests, including Asian Longhorned beetle (ALB), gypsy moth, Japanese beetle, and actionable mollusks. The Center transferred new strategies for ALB detection and control in FY 2001 which, together with removal of infested trees, are the basis of the APHIS' eradication programs in New York and Illinois. In addition, the Center used molecular biological tools to determine the likely source populations of Medfly infestations and gypsy moths trapped near high-risk ports, and also developed a molecular biological taxonomic key to identify intercepted mollusks, many of which had previously been difficult to classify. Also, the Center continued to support various research projects by providing gypsy moth specimens to numerous customers. In addition, it continued to produce the nucleopolyhedrosis virus, an environmentally friendly biocontrol agent used for gypsy moth control. Center personnel developed, confirmed, and evaluated commodity treatment schedules that provide alternatives to methyl bromide, in such areas as heat and phosphine treatment of solid wood packing materials for ALB and steam treatments against actionable mollusks.

APHIS' Decision Support and Pest Management Systems Laboratory in Phoenix, Arizona, works with universities, industry, and the ARS to develop biologically based pest management systems. The Laboratory continues to develop and refine technology using pheromone description, sterile insect release, and management of transgenic plant use for eradication of pink bollworm (PBW). The Laboratory is working with the University of California and industry to develop transgenic PBW's for future eradication programs. The Agency also continued developing pesticide tools for boll weevil eradication, including critical data on the rain retention of malathion in cotton and biological and trap system knowledge. The Laboratory continues to pursue enhanced and more cost-effective systems for management of grasshopper and Mormon cricket. By the end of this year, we will conclude with a full final evaluation of the successful introduction of exotic whiteflies, which have helped to rectify plagues of this pest that occurred in the mid-1990s. In partnership with the California Department of Food and Agriculture, the University of California, and industry, we are pursuing similar goals for the biological control of the Glassy-winged Sharpshooter (GWSS) in California. The Phoenix laboratory will complete development of a national database to support Agricultural Quarantine Inspection (AQI) operations in FY 2002, and will accelerate development of a system of risk-based support allocation. That system in its entirety will provide extensive support to the agency's AQI operations.

The Centers for Plant Health Science and Technology (CPHST) at Mission, Texas, provides laboratory and field support to APHIS' programs conducted in the south central United States, including cotton pests and tropical fruit flies. Center personnel maintained laboratory strains of boll weevils, and shipped insects weekly to researchers for use in their continuing evaluations of tools to support boll weevil eradication and suppression objectives and for development of new control technologies. Also, the Center provided Geographic Information System (GIS) support for the GWSS emergency program in California to aid in program planning and delivery, and is developing a database to provide automated reporting and analysis capabilities. In FY 2001 the Center began work on using remote sensing technology for the detection of Pierce's Disease in grapes. Additional activities of the Mission Center are further described under "Biocontrol" in this Status of Program report.

The CPHST at Niles, Michigan, provided laboratory and field support to the National Biological Control Institute's Offshore Initiative for biological control of pink hibiscus mealybug and papaya mealybug , pests of high-risk for entry into the United States. Since 1997, the Niles Laboratory has also processed samples for the National Karnal Bunt (KB) Survey as well as high priority (export-outbound) samples that required processing within 24 hours. In total, the Niles KB Team processed 576 samples from 20 States in FY 2001. The major share of this Center's funding is derived from the Biological Control line item, to develop agents for pests such as Japanese Beetle, Cereal Leaf beetle, Purple Loosestrife, and other pests. Activities relating to these pests are further described under "Biocontrol" in this Status of Program report.

The Oxford, North Carolina, Plant Protection Laboratory provides support for both the AQI and noxious weed programs. Laboratory personnel provide technical support for ports and exporters in application of commodity treatments and facility certification; develop, recommend, and approve quarantine treatments and methods of excluding pests in commodities; maintain an extensive library of scientific references on approved and potential quarantine treatments; and calibrate fumigant monitoring instruments. In FY 2001, the Oxford Laboratory conducted testing and approved fumigation in refrigerated, untarped containers resulting in a 30-percent reduction in fumigant usage. In addition, Laboratory personnel tested and approved a novel method of sealing tarped enclosures; and developed a steam heat treatment for farm equipment contaminated with soil containing golden nematode cysts. Steam treatment has also shown promise for use against exotic snails clinging to containers. Laboratory personnel also provided technical support to cooperators in the field in their efforts to eradicate the Federal noxious weed *Orobanche minor*.

The Plant Epidemiology and Risk Analysis Laboratory (PERAL) in Raleigh, North Carolina, develops pest risk analyses and epidemiological approaches to support science-based operational, strategic, and policy decisions. Since January 2001, the Laboratory's New Pest Advisory Group has considered 122 exotic pest introductions, with the goal of determining a recommended course of action. Lists of 'worst' exotic plant pest threats to the United States were commissioned from the American Malacological Society and the Society of Nematologists, while previous agreements resulted in draft lists being provided by the American Phytopathological Society, Entomological Society of America (ESA), and Weed Science Society of America. The Laboratory has completed or is in the process of completing organismal risk assessments for Karnal bunt; Channeled Applesnail, Northwest apple exports with emphasis on Oriental Fruit Moth, Mexican Fruit Fly, and several arthropods from the ESA list. We completed or are in the process of completing pest introduction pathway analyses for agricultural quarantine inspection monitoring data, Canadian border, solid wood packing materials, Foreign Animal Disease with emphasis on FMD. Commodity Risk Analyses are underway for propagative materials from Europe and from Mexico, and an International Standards for Phytosanitary Measures #11 supplementary standard on Environmental Impacts of Quarantine Pests. In addition, PERAL continues to manage and operate the North American Plant Protection Organization's Phytosanitary Alert System web site, designed to provide early warning of emerging pest occurrences threatening North America.

The Bozeman, Montana, Biological Control Laboratory develops and delivers biological control strategies for the management of invasive, exotic wildland weeds. This involves close cooperation with a wide range of other Federal agencies, State agencies, Tribal agencies, local entities, private organizations and landowners, and international agencies, as well as other APHIS laboratories and personnel. In FY 2001 the Bozeman Laboratory continued to play a major role in biological control activities to combat Dalmatian toadflax, Russian knapweed, leafy spurge, Spotted and diffuse knapweeds, and initiated activities against Canada thistle. Activities of the Bozeman Laboratory relating to these weeds are further described under "Biocontrol" in this Status of Program report.

The Soil Inhabiting Pests Laboratory in Gulfport, Mississippi, continued working with ARS, State regulatory agencies, universities, industry, and others to develop regulatory treatments and population management approaches for Imported Fire Ant. In the past year, EPA granted several label registrations to the new insecticide fipronil which, based on 7 years of data from this office, is undergoing APHIS approval for inclusion in the Federal Imported Fire Ant Quarantine Program as a treatment for containerized nursery stock and grass sod. In response to the pending loss of chlorpyrifos, the Laboratory has begun laboratory screening and preliminary field testing of insecticides to replace chlorpyrifos treatments within the quarantine. In collaboration with ARS, we are continuing to conduct field evaluations of biological control agents of imported fire ants.

The Beltsville, Maryland, Plant Protection Lab provided technical support to APHIS emergency programs by coordinating and chairing the plum pox virus (PPV) Science Panel and the Citrus Canker Research Review Panel. For PPV, we recommend the diagnostic tests used in the PPV national surveillance, and write the laboratory protocols for the program. The laboratory also conducts experiments to support and modify the ARS sampling model used for the survey portion of the program. Laboratory personnel provide technical support through serological and molecular testing of PPV-suspect samples, and represent the final authority for the Agency for determining positive PPV samples. The laboratory continued several research projects to determine the biology, molecular biology, and epidemiology of the PPV in Pennsylvania. We also continued to work with both ARS and the universities to develop technology to improve and accelerate detection of PPV, citrus canker, and Karnal bunt. APHIS is beginning to apply advanced, in-field, biotechnology for pest detection, and the Beltsville laboratory has initiated a multi-year effort to deliver in-field serological and molecular technology for citrus canker, PPV, and Karnal bunt.

The Hawaii Plant Protection Laboratory (HPPL) continued to support Medfly exclusion efforts in FY 2001. The HPPL in Waimanalo, Hawaii, and its stations in Gainesville, Florida, and Guatemala City, Guatemala, worked to improve standards of mass production , develop quality assessment measures for mass-reared flies, improving mating competitiveness of mass-reared flies, stabilizing the production of the temperature sensitive lethal genetic sexing strain of the Medfly, and develop novel genetic strains to enhance control measures. Modifications in the larval diet resulted in savings of $350 per day and an additional 50 million pupae per week at the HFFPF. Implementation of sanitation protocols and improved quality control resulted in savings of $3,000 per week in larval diet at the Guatemala rearing facility, for a total savings of $156,000 per year. The HPPL and its stations continue to provide scientific support for the Preventative Release Program in Florida and California through development of more efficient detection technology for *Ceratitis* and *Anastrepha* species, ground treatment technology for application of spinosad, testing of new trapping technologies, and quality control assessment of sterile Medflies.

4. Veterinary Biologics

The program's goal is to prevent the importation, production, and distribution of impure, ineffective, unsafe, or impotent veterinary biological products in the United States. Program activities include licensing veterinary biological products, inspecting licensed manufacturing facilities, testing statistically based samplings of licensed products, and issuing permits for the product importation.

In FY 2001, APHIS issued 113 product licenses. Veterinarians and animal owners now have 26 new products for the diagnosis, prevention, or treatment of animal diseases. The Agency also terminated 103 product licenses at licensee request for obsolete products, as compared to 167 in FY 2000 and 56 in FY 1999.

In FY 2001, APHIS provided oversight for 2,481 active licensed or permitted products for the control of 197 animal diseases. APHIS approved 17,185 serials of veterinary biologics, while rejecting 27 serials for failing to meet Agency requirements. The Agency conducted 2,558 tests on 1,242 of the 12,292 serials eligible for testing. APHIS performed 59 regulatory actions and 24 investigations of possible regulation violations in FY 2001. APHIS shipped 6,990 vials of reagents to facilitate testing consistency and quality by biologics manufacturers and other regulatory authorities. In addition, APHIS developed 12 new tests and reagents.

APHIS issued 3,174 official certificates that indicate licensed production and testing facilities and products have met or exceeded marketing requirements. The regulated industry used these certificates to register their products for sale in foreign countries. The confidence that foreign regulators have in the U.S. veterinary biologics licensing, testing, and inspection system is reflected in their readiness to accept our products.

The veterinary biologics program continued efforts to reduce trade barriers that limit the sale of veterinary biological products overseas. Program officials continued technical discussions with representatives of the European and U.S. biologics industries and with regulatory officials from the European Union (EU). APHIS also continued to interact with Canadian regulatory officials under the Canada-United States Trade Agreement and the North American Free Trade Agreement. We held meetings with regulatory officials from the United Kingdom, Denmark, and Germany to facilitate exchange of information and encourage discussion of regulatory issues.

During FY 2001, we attended the 8th and 9th Steering Committee Meetings of the Veterinary International Cooperation on Harmonization (VICH) to review the progress of five working groups addressing projects concerning the harmonization of quality test requirements and post licensing monitoring procedures (pharmacovigilance) for veterinary biological products. The Biological

Quality Monitoring working group continued work on harmonized guidelines for extraneous mycoplasma and virus testing.

APHIS continued to work with the Committee of the Americas for the Harmonization of Registration and Control of Veterinary Medicines (CAMEVET) after being involved in its creation in August 2000. This committee consists of representatives of the Official Services from the Office of International des Epizooties (OIE) member countries in the Americas responsible for regulating veterinary medicinal products. The objectives of CAMEVET include the coordination of the technical information for the registration and control of veterinary medicines with the intention of harmonizing the technical procedures to improve the quality of the veterinary medicines and the trade of the products among the countries and exchange of information about regulatory requirements and techniques and scientific advances dealing with quality and control of veterinary medicines.

APHIS characterized naturally occurring vaccine recombinants using the Polymerase Chain Reaction. The program also refined requirements for naked DNA vaccines and submission guidelines were then developed with the biologics industry. APHIS collaborated with the Food and Drug Administration and the Environmental Protection Agency to develop regulatory guidelines for the production of veterinary biologics in transgenic plant-based systems. The program held a one-day cancer therapeutics and diagnostics workshop and developed draft requirements for cancer biologics that were discussed with industry.

The Agency held a Veterinary Biologics Public Meeting on the regulation of biological products to maintain communications with the public, customers, and stakeholders. The purpose of this meeting was to acquire additional information from industry, veterinary practitioners, and other parties interested in the current regulations. Special topics at the meeting included labeling, animal care, duration of immunity/efficacy, target animal safety, and international harmonization. APHIS continued to emphasize *in-vitro* potency testing of veterinary biologics. Agency personnel participated in international meetings on *in-vitro* testing, provided specific reagents for the development of international standards, and worked towards the establishment of a national reference concept to facilitate antigen requalification. APHIS also produced a reference to the third known infectious bovine rhinotracheitis (IBR) glycoprotein immunogen. The previous two references were produced in FY 2000. In addition, APHIS continued to develop monoclonal antibodies to IBR to establish separate immunogen *in vitro* antigen quantification assays. The development of these procedures will result in a significant reduction in the use of animals in the testing and production of veterinary biological products.

APHIS continued to pursue accreditation (under the International Standards Organization Guide 17025) for the Center for Veterinary Biologics (CVB). Electronic monitoring and document control systems were expanded and refined. Also in FY 2001, the Agency conducted a management review of the Quality Assurance program and provided managers with training related to writing quality manuals. The Association for Assessment and Accreditation of Laboratory Animal Care–International (AAALAC) reaccredited the CVB Laboratory in FY 2001.

5. Veterinary Diagnostics

The program's goal is to develop and maintain national and international laboratory diagnostic support for our animal disease prevention, detection, control, and eradication programs; provide assistance to State and other Federal agencies and laboratories, educational institutions, and foreign governments in the diagnosis of animal diseases; maintain national and international laboratory recognition with the highest quality reference assistance; and conduct developmental projects for rapidly advancing technologies.

In FY 2001, the NVSL continued efforts to safeguard the United States from adverse animal health events. NVSL positively identified tick samples collected from cattle on St. Croix as *Amblyomma variegatum*, an African tick species that is capable of transmitting heartwater. In addition, NVSL developed and validated a polymerase chain reaction (PCR) method for the detection of heartwater.

NVSL also continued to certify that other countries were meeting criteria outlined by the Office of International des Epizooties to be declared free of specific diseases. During FY 2001, NVSL representatives traveled to Brazil as part of a North America Free Trade Agreement (NAFTA) team looking at BSE policies, to various facilities in Mexico to assess disease controls for classical swine fever (CSF) and avian influenza (AI), to Guatemala to facilitate a national control program, to Paraguay to discuss FMD eradication in the Americas, and to Mongolia to evaluate FMD control efforts. Also, NVSL provided diagnostic support for an outbreak of exotic Newcastle disease in Mexico. NVSL continued to participate in surveys related to NAHMS. For FY 2001, NVSL conducted porcine reproductive and respiratory syndrome and swine influenza virus serology testing for the Swine 2000 NAHMS survey. This survey provide information on subtypes which are circulating in our swine populations. In addition, NVSL conducted testing for the first NAHMS surveys for sheep which will link certain management practices to the prevalence of disease.

During FY 2001, NVSL provided diagnostic support for the implementation of the bluetongue sentinel surveillance program. We can better define disease boundaries by collecting samples from a specific herd in a state versus collecting samples from slaughter plants.

NVSL continued to support animal disease prevention, detection, and eradication programs and to provide diagnostic assistance to the livestock and poultry industries. Specifically, NVSL received and tested approximately 61,000 diagnostic submissions including but not limited to 5,174 for import/export testing; 4,584 dip vat samples tested for pesticide concentration in support of the cattle tick program; 1,145 samples for pseudorabies testing; 2,756 samples for AI surveillance testing; and 3,708 samples tested for scrapie field testing and validation. As part of the Scrapie Validation Test Project, NVSL housed and collected observations and samples from eyelid positive sheep. Also, NVSL developed protocols for testing sheep brains and blood for the scrapie resistant gene, a genotype that indicates resistance. By identifying these genotypes, scrapie prevalence could potentially be reduced through the breeding process.

Of the total diagnostic submissions for FY 2001, NVSL tested 4,547 samples for bovine tuberculosis (TB) by histopathology in support of TB eradication. Toward the end of eradication programs, it requires more surveillance testing to find those last few herds. During FY 2001, NVSL began the process of tripling their testing capacity to accommodate this additional testing. Also, NVSL increased production of comparative cervical tuberculin to have enough to conduct the tuberculosis testing in Michigan.

In addition, NVSL more than doubled its testing of BSE samples from 2,303 in FY 2000 to 5,056 in FY 2001. This is the largest single-year total since surveillance began in 1990. For each of the last 6 years, the rate of surveillance for BSE in the United States has been approximately double the International Office of Epizooties (OIE) standard. In FY 2000 and FY 2001, APHIS examined more than five times the number of brains than the OIE standard, and testing continues to increase each year. This enhanced testing helps support and validate the declaration that the United States is BSE free.

NVSL continued to work with its customers in an attempt to expand the domestic and international marketability of U.S. animals and animal products by using reliable testing processes, providing expertise and training to other laboratories and regulating bodies, and certifying other laboratories

to conduct certain tests. Specifically, NVSL developed the methodology and laboratory testing necessary to assess the accuracy of the slaughter surveillance program for brucellosis in cattle. This same principle will be applied to slaughter surveillance programs for other diseases and species. NVSL tested 24,329 fraudulent blood samples in FY 2001. In addition, NVSL developed a new test to enhance the serum screening program. The fraudulent blood testing program is important to assure confidence in the health of animals exported from the United States to other countries.

During FY 2001, NVSL processed over 1,300 proficiency exams resulting in certification of 411 laboratories to conduct testing for equine infectious anemia, 58 for bluetongue, 62 for bovine leukosis virus, 19 for equine viral arteritis, 163 for pseudorabies, 396 for brucellosis, and 110 for Johne's disease. During FY 2001, NVSL's Foreign Animal Disease Diagnostic Laboratory (FADDL) received and tested 1,053 diagnostic submissions. Of these, APHIS can attribute 429 to suspect foreign animal disease investigations (a 7.5 fold increase of samples from animals suspected of vesicular disease). This is significantly higher than FY 2000 due to the FMD outbreak in Europe.

During FY 2001, NVSL provided training to 417 State, Federal, private, and foreign participants. This included six formal training courses on scrapie, tuberculosis, psuedorabies, brucellosis, and laboratory biosafety, and four foreign animal disease training courses at FADDL. In addition to formal courses, NVSL provided bench training on bovine leukosis virus, equine infectious anemia, brucellosis, Johne's, leptospirosis, avian influenza, West Nile virus, and contagious equine metritis.

During FY 2001, NVSL generated approximately 1,000 vials of FAD reagents; 15,500 vials of AI reagents; 64,500 vials of TB reagents; 30,400 vials of Brucella reagents; and 25,600 vials of miscellaneous reagents that were either provided to outside laboratories for use in their testing processes or used for in-house activities.

6. Wildlife Services Methods Development

The NWRC functions as the research arm of APHIS' Wildlife Services by providing scientific information for the development and implementation of effective, practical, and socially-acceptable methods for wildlife damage management. This helps ensure that high-quality technical and scientific information on wildlife damage management is available for the protection of crops, livestock, natural resources, property, and public health and safety.

NWRC, through an agreement with the General Services Administration (GSA) and congressional funding received in FY 1999, is continuing construction of its state-of-the-art wildlife management research facility and national headquarters on the Foothills Campus of Colorado State University in Fort Collins, Colorado. NWRC currently occupies a government-owned 25,000 square foot indoor Animal Research Building and a GSA-leased 82,000 square foot Wildlife Science Building on the 43 acre site. During FY 2001, GSA awarded a lease/construction contract to have a private developer build an outdoor animal research complex and associated support structures on the site with projected completion in 2002. APHIS and NWRC also completed design work and issued bid documents for a new support wing addition to the existing indoor Animal Research Building. Construction of this wing should begin in FY 2002 with occupancy in FY 2003. APHIS and GSA also signed an Occupancy Agreement to begin designing an Invasive Species Research Building to be built through a lease construction contract on the site by FY 2004.

During FY 2001, NWRC continued its efforts to obtain an APHIS Section 3 registration from the U.S. Environmental Protection Agency (EPA) for acetaminophen as a brown tree snake toxicant. NWRC obtained additional laboratory and field data related to potential non-target impacts including potential hazards to land crabs and Guam rails, field breakdown and storage stability

data, and conducted a comparative operational evaluation of toxicant baiting and trapping. NWRC also contracted several dietary and toxicological studies. As a result, NWRC believes it has most of the data required to submit a registration package to EPA in early 2002.

NWRC researchers continued to make progress toward developing contraceptives for non-lethal wildlife damage management. In FY 2001, single shot PZP and GnRH immunocontraceptive vaccines demonstrated effectiveness in preventing pregnancy in white-tailed deer for at least one year. We are conducting ongoing studies to determine if the vaccine remains effective for more than one year without a boost. Trials will begin with two products, an oral bait and an immunocontraceptive vaccine, that show promise as rodent contraceptives.

NWRC continued interdisciplinary research efforts to identify materials and methods and to develop integrated strategies for non-lethal control in integrated pest management programs. Promising repellent compounds include predator urines, blood meal, capsaicin, castor oil, quebracho, and thiram. These materials, when combined with traps, rodenticides, and barriers, can impact rodent numbers and damage.

In FY 2001, NWRC completed all data requirements for reregistering zinc phosphide with the EPA. Pending the EPA's response to the zinc phosphide registration package, all of the active ingredients APHIS uses in vertebrate pesticides will now have been successfully reregistered. APHIS now has 14 active ingredients registered with the EPA and the Food and Drug Administration (FDA) to manage wildlife damage.

During FY 2001, NWRC continued research on nicarbazin, a potential contraceptive for controlling Canada goose populations where they are causing safety, health, or nuisance problems. FDA approved nicarbazin to control the disease coccidiosis in broiler chickens, but nicarbazin also has reduced egg production in layer chickens. Research in FY 2001 confirmed that if geese eat nicarbazin-treated bait on a regular basis throughout the egg-laying period, it significantly reduces egg production. Nicarbazin is very unpalatable to geese, so NWRC conducted research on ways to increase bait acceptance and methods to effectively deliver nicarbazin baits to geese.

NWRC scientists continued the development of selective, humane wildlife capture devices to increase efficiency and reduce animal injuries associated with capture and restraint of coyotes. Cooperative funding allowed for continued work on contraceptive methods to reduce coyote predation on lambs associated with feeding pups at dens. NWRC has continued experiments with tastes, odors, and physical or visual cues to improve coyote attraction to baits and delivery devices for chemical agents, and to identify potential chemical repellents and other predation deterrents.

NWRC continued to coordinate a national trap testing program to improve animal welfare in cooperation with the International Association of Fish and Wildlife Agencies and State wildlife departments to meet U.S. commitments to the European Union. Development of performance data on traps in operational use will assist States to improve trapper education programs and prepare appropriate management practice guidelines. During the initial four years, 32 State wildlife agencies, focusing on high priority species captured by State-licensed private trappers, are collaborating in the testing of 47 commercially available restraining systems for 15 species of fur bearers.

NWRC continued to expand research effort to develop and improve methods for managing blackbird damage to rice. Under sponsorship of the Louisiana Rice Research Board, NWRC scientists conducted studies to determine the acute dietary toxicity of DRC-1339, a restricted-use pesticide, to various species of non-target birds. With support from The Rice Foundation, NWRC scientists conducted studies to estimate the economic impact of blackbirds on newly planted and

ripening rice, and to develop improved DRC-1339 baiting techniques for managing blackbird populations that cause these impacts.

NWRC continued to develop and evaluate non-lethal methods for managing blackbird damage to sunflowers by using an aquatic herbicide to reduce blackbird roosting habitat in cattail wetlands. During FY 2001, NWRC scientists, under the sponsorship of the North Dakota Pesticide Control Board, documented the dispersal of red-winged blackbirds from potential sites where we could apply DRC-1339 to reduce local populations of migrating blackbirds during the spring to determine whether such baiting is likely to target birds that damage ripening sunflowers during the subsequent fall. The North Dakota Pesticide Control Board also funded studies to determine the acute oral toxicity of DRC-1339 to three species of non-target birds.

NWRC has undertaken multi-year research studies at various airports in the U.S., including JFK, Sea-Tac, and O'Hare International Airports, to reduce wildlife strike hazards. NWRC researched turf management, non-lethal repellents, and dispersal techniques to minimize strikes by gulls, waterfowl, turkey vultures, hawks, and other species that threaten aviation safety. NWRC research played a key role in a program at JFK International Airport that has reduced aircraft collisions with gulls by 74-88 percent each year during 1992-2000, compared to baseline years, 1988-1990. NWRC also continued to maintain a National Wildlife Strike Database for civil aviation that contains almost 36,000 strike reports from 1990 to 2001. The database provides critical information to airport operators, biologists, aviation engineers, and regulators to design programs, policies, and aircraft to reduce damaging wildlife strikes.

CONTINGENCY FUNDS

1. Avian Influenza

In FY 2001, the Agency released $925,588 from the contingency fund to conduct activities to control Avian Influenza (AI) in live-poultry markets in New York, New Jersey, and Pennsylvania. Retail markets in these States have experienced recurring outbreaks of AI despite increased flock surveillance and testing. APHIS and State officials had planned to conduct an epidemiology study, education campaign, and a 3-day closure of those retail markets and wholesale facilities that test positive for avian influenza. Of the $925,588 released, APHIS spent $71,662, leaving a balance of $853,926 to carry forward into FY 2002.

2. Bovine Spongiform Encephalopathy

At the end of FY 2001, the Agency released $985,515 from the contingency fund to enhance BSE surveillance in high risk cattle populations. Specifically, APHIS would use the funds to collect and test up to 5,000 brain samples from suspicious cattle at slaughter plants, on farms, and at rendering plants. Because these funds were released so late in the fiscal year, APHIS will forward the majority of these funds into FY 2002 to continue enhanced BSE surveillance.

3. Chronic Wasting Disease

In FY 2000, the Agency released $183,000 from the contingency fund for CWD activities. Of this amount, APHIS used $84,348 in FY 2000 and carried forward $98,652 into FY 2001. In FY 2001, APHIS used these funds on surveillance, program development, and developmental projects. The Agency's NVSL tested samples from 1,920 farmed and 1,074 free-ranging cervids. APHIS also produced a final draft of the proposed USDA CWD Program for Captive Elk. In addition, program officials initiated a developmental project to study the potential genetic resistance of farmed elk with the LL prion genotype to infection with the CWD agent. In support of this

developmental project, APHIS prepared NVSL to receive the elk, transported the animals to NVSL, and inoculated them with brain material from CWD positive elk. APHIS also used the funds to support of a developmental project to study the susceptibility of fallow deer to the CWD agent.

At the end of FY 2001, the Agency released an additional $200,000 to continue surveillance and diagnostic testing in farmed cervids, and to support several developmental projects. The projects included a susceptibility study of fallow deer to CWD and a study on the potential genetic resistance of LL genotype elk. Because these funds were released so late in the fiscal year, the Agency will forward the majority of these funds into FY 2002.

4. Disposal of Cattle Condemned at Slaughter for Neurological Disease

In FY 2001, the Agency released $71,000 from the contingency fund to dispose of cattle, some of which were of European origin, condemned at slaughter for neurological diseases. In addition, we used $30,522 from carryover funds from a previous release for similar activities. As part of the BSE surveillance program in the United States, APHIS and the Food Safety and Inspection Service sample animals that display neurological disease when presented for slaughter. We prohibit these animals from entering the human food chain and discourage having them enter the animal food chain through rendering.

5. Grasshopper

APHIS used $300,000 from the contingency fund in FY 2001 to survey grasshopper and Mormon cricket populations and provide technical assistance under the Grasshopper Crop Protection Program in 12 Western States, as follows: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. Survey efforts located hatching grasshoppers and Mormon crickets in the Spring and adults later in the summer. This advance information was necessary for APHIS to predict in a timely manner the need for treatments on Federal lands for the Crop Protection Program. Traditionally, APHIS has provided all grasshopper and Mormon cricket survey and treatment on Federal lands, and has shared treatment costs on State and private lands. However, we have not received an appropriation for this program since FY 1993. Since then, Congress directed that we carry out activities using remaining grasshopper reserve funds, which were depleted in FY 1999. All treatments conducted by APHIS on Federal lands in FY 2001 were requested and funded by a Federal land management agency. These occurred in four States: Idaho, Nevada, Utah, and Washington. We provided technical assistance to State and private landowners who conducted treatments in Idaho, Oregon, Utah, Washington, and Wyoming.

6. Heartwater

Heartwater of cattle and small ruminants is one of the most important tick-borne diseases in Africa, and is becoming an increasingly serious threat to the livestock and deer populations of the United States. In FY 2001, APHIS released $433,419 from the contingency fund to purchase 71 Senepol beef cattle that were under quarantine in southern Florida for diagnostic purposes. The cattle were moved from St. Croix, VI to Florida in August 2000. The Florida Department of Agriculture and Consumer Services ordered that the cattle be tested for *Cowdria ruminantium*, the etiologic agent of heartwater. Of the 71 cattle, 54 tested positive. However, there was considerable inconsistency regarding the results. Due to the uncertainty of the results, APHIS purchased the cattle for diagnostic purposes and depopulation

7. Skunk Rabies

APHIS used $62,500 from contingency funds to address a bat strain of rabies in skunks in the Flagstaff, Arizona area. The human health and wildlife community, pet owners, and livestock industry were concerned about the additional human and animal health risks. State officials have not documented cases of terrestrial rabies in northern Arizona since the 1960s; this is the first time they documented striped skunks transmitted the bat variant of rabies. Federal, State, and local agencies are working in concert to unravel mysteries associated with this new variant to avoid an emerging health crisis. APHIS personnel trapped, vaccinated, and released skunks to build herd immunity and to eliminate rabies in the Flagstaff area. During May and June 2001, APHIS personnel captured 174 skunks (170 striped skunks, 4 hooded skunks) and: euthanized 19 striped skunks for testing by the Arizona Department of Health Services and the Center for Disease Control; vaccinated 112 skunks; and, recaptured 43 skunks. In addition, we vaccinated two gray foxes and two raccoons. Specific objectives of our efforts included: collecting potentially rabid skunks to determine if the bat variant of rabies was continuing to spread; vaccinating striped skunks and other carnivores to build herd immunity and eliminate terrestrial rabies from the Flagstaff area; and, documenting the population dynamics of skunks in the Flagstaff area to determine the potential effectiveness of vaccination and the how outbreak could spread due to the skunk population in the area.

8. West Indian Fruit Fly

In FY 2001, APHIS used $234,000 from the contingency fund to participate in a cooperative WIFF eradication program with the Texas Department of Agriculture (TDA) in the LRGV of southwestern Texas. From mid-August 2000 to early December 2000, ten detections of adult WIFF were made along or near the Mexican border in southeastern Texas. The WIFF renders commercial and homegrown produce inedible because the larvae tunnel through the fleshy part of the fruit, damaging the fruit and subjecting it to decay from bacteria and fungi. Because of its potential for damage, this infestation represented a serious threat to the agriculture and environment of Texas and other States. To eradicate this infestation, APHIS and the TDA began an eradication program in October 2000 in the LRGV. This program used a combination of control methods, based on site-specific requirements that consider program efficacy and environmental concerns. These methods included chemical control (aerial and/or ground insecticide baits, and community fumigations), physical control (fruit removal and destruction, orchard destruction, cold treatment of commodities, high temperature forced air treatments of commodities, vapor heat treatment of commodities, and irradiation of commodities), cultural controls, and quarantines that regulate the movement of commodities. APHIS' immediate response to this infestation prevented any spread of the fly further north into Texas and allowed eradication of the infestation by August 2001.

9. West Nile Virus

The human health community and livestock industry have been very concerned about the identification of West Nile virus (WNV) in the eastern U.S. Prior to September 1999, they had never documented this disease on the North American Continent. In 2001, officials documented WNV cases in more than 26 States (primarily through wild bird surveillance), representing a significant geographic expansion of the disease compared with the previous two years. This spread has had a major impact and continued threat to humans, horses, and birds. APHIS recognizes the presence of WNV as an emerging health and agricultural crisis; Federal, State, and local agencies are working in concert to unravel mysteries associated with this disease.

In FY 2001, APHIS used approximately $245,000 in contingency funds to participate in a national surveillance system, conduct new diagnostic tests, produce diagnostic reagents for State veterinary

diagnostic laboratories, conduct surveillance in migratory birds, and perform more epidemiologic studies on WNV to support work in 19 eastern States where officials have documented WNV.

From January 2001 to the end of November 2001, officials reported 416 cases of clinical WNV infection in horses from 19 States. Of the 416 animals, at least 70 died or were euthanatized. These 70 animals were located in Connecticut (4); Delaware (1); Florida (32); Georgia (5); Illinois (1); Indiana (1); Kentucky (1); Louisiana (3); Massachusetts (1); Maryland (1); Mississippi (3); New Jersey (8); New York (2); North Carolina (1); Pennsylvania (4); Tennessee (1); and Virginia (1).

In FY 2001, the Agency's National Veterinary Services Laboratories (NVSL) participated in the West Nile Review at the Centers for Disease Control and in planning activities for surveillance of WNV in zoos. NVSL tested over 3,500 tissue or serum samples during FY 2001. In addition, NVSL developed a nested Polymerase Chain Reaction assay, a more sensitive molecular technique to better detect WNV in horses.

Documenting wild bird mortality remains the most sensitive and practical method for detecting WNV. Both State and local health departments depend on dead bird reports and testing of dead birds for surveillance to protect the public health. Officials have documented the disease in more than 80 species of birds (60 free-ranging species) from 25 States, the District of Columbia, and Ontario, Canada. American crows, fish crows, and blue jays appear to be the most susceptible to WNV resulting in death, thereby making these important sentinel species for early detection of the disease. In 2001, officials reported 3,996 crows and 1,437 other birds with WNV infection in 25 States.

APHIS has coordinated all program activities closely with State Departments of Health, Agriculture, and Natural Resources. Other important cooperators include County Health Departments, the Southeastern Cooperative Wildlife Disease Study, a number of Universities, and the U.S. Geological Survey's National Wildlife Health Center (NWHC). Specific objectives of our efforts have varied between the States, depending upon needs of our partners in the respective States. Our primary objective, based on request for assistance from other Agencies, is to compliment and supplement ongoing WNV surveillance activities focusing on the collection of wild birds to provide blood and/or whole body samples for WNV testing, surveillance, and research. In some States, such as Alabama, Vermont, and New Hampshire, we coordinated the majority of WNV surveillance activities on behalf of cooperating State agencies. APHIS undertook a wide range of activities to support State efforts, including: 1) enhancing local surveillance efforts by collecting dead birds for WNV testing to determine presence and geographic distribution of WNV; 2) collecting blood samples from various wild birds to assist ongoing studies to document what species WNV has infected and potential reservoirs for this disease; 3) initiating a toll-free hotline program to enhance dead bird reporting and testing in New York and Vermont; 4) assisting NWHC in ongoing studies to determine the role migratory birds play in the spread of WNV; the role bats play in the over wintering of the disease; and the virus cycle in crows; 5) initiating studies in six States to determine the role non-native pest birds (e.g., starlings, pigeons, house sparrows), as well as Norway rats and house mice, play in facilitating the spread of WNV in horses. APHIS provided technical assistance and/or was directly involved in bird and mammal collection in the following 21 States in 2001: Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Michigan, Wisconsin, Ohio, Illinois, Maryland, Virginia, North Carolina, South Carolina, Alabama, Georgia, Louisiana, and Florida.

Summary: In FY 2001, contingency funds were released for the following programs.

	Available	Obligated	Balance
Asian Gypsy Moth	339,000	288,651	50,349
Avian Influenza	925,588	71,662	853,926
Bovine Spongiform Encephalopathy	985,515	3,650	981,865
Chronic Wasting Disease	298,652	155,853	142,799
European Gypsy Moth	610,000	559,240	50,760
German Cattle	144,877	101,522	43,355
Grasshopper	300,000	246,813	53,187
Heartwater	433,419	314,036	119,383
Orobanche Minor	410,000	400,475	9,525
Skunk Rabies	62,500	62,500	0
West Indian Fruit Fly	300,000	234,501	65,499
West Nile Virus	540,000	244,723	295,277
Total, APHIS	5,349,551	2,683,626	2,665,925

EMERGENCY FUND TRANSFERS FROM COMMODITY CREDIT CORPORATION (CCC)

1. Asian Longhorned Beetle (ALB)

In FY 2001, APHIS spent $29.9 million in Commodity Credit Corporation funds to continue ALB survey, regulatory, control, and program management activities in New York State and Illinois. The goal of this program is to eliminate the pest from the U.S. and prevent future introductions without jeopardizing the $116 billion trade market between the U.S. and China. Since the program began in FY 1997, APHIS has drastically reduced ALB populations in areas that had been heavily infested and the tree removal effort has made outstanding progress. However, infestations as of November 1, 2001, still cover approximately 178 square miles, with approximately 21 square miles having been discovered in FY 2001. The program expects to find additional infested trees which will require removal or treatment to destroy any pest life stages present.

2. Belgian Sheep

At the end of FY 2001, the Secretary transferred $1,558,421 from the CCC to APHIS for additional costs related to depopulating and disposing of Belgian sheep and their offspring on three farms located in Vermont. Six of these animals were confirmed to be either positive or suspect for the transmissible spongiform encephalopathy (TSE) marker. TSE's are chronic, fatal diseases affecting the central nervous system of certain species of mammals. In July 2000, APHIS removed and disposed of the smallest of the three herds. In March 2001, APHIS removed and disposed of the last two herds.

3. Bovine Tuberculosis

In FY 2001, the Secretary declared an emergency and transferred $58,404,142 from the CCC to APHIS to protect public health from bovine tuberculosis and to allow the US livestock industry to become more competitive in the global market. These funds will be used to more rapidly respond to tuberculosis outbreaks and to implement a comprehensive strategic plan for the eradication of bovine tuberculosis. The comprehensive plan includes eliminating the infected and high risk large dairy herds in the El Paso milkshed area, addressing the disease in the wildlife population, and dealing with the international trade aspects of the disease such as regionalization.

Since the declaration of emergency, we have increased national surveillance for tuberculosis by more than 100 percent, from testing 1,028 tuberculosis suspect tissues from slaughtered cattle in FY 2000 to testing 2,991 samples in FY 2001. Enhanced surveillance is necessary to locate the remaining foci of infection throughout the United States.

To address the disease in Michigan's wildlife population, the Agency provided technical and operational assistance to producers to prevent or reduce the transmission of TB between cattle and wildlife (i.e., deer). We also established a office in Gaylord, Michigan, which is in close proximity to the TB-affected areas of the Northeast Lower Peninsula. APHIS hired three wildlife biologists and three wildlife specialists to develop and implement activities to benefit local producers, such as exploring fencing designs that may keep deer and livestock apart and, when necessary, taking deer that presented an immediate threat to livestock. The Agency's NWRC initiated research to develop a model to evaluate management practices on bovine TB; test potential barriers to minimize the interaction of deer and cattle; and, evaluate coyotes as sentinel animals for predicting the presence/spread of bovine TB in ungulates. In addition, program officials have tested every dairy cow (approximately 300,000 animals) in the State of Michigan and have recently begun testing the State's beef cow population (approximately 1 million animals).

APHIS began drafting regulations in FY 2001 which would allow the Agency to remove and compensate for high risk large dairy herds in the El Paso milkshed area in FY 2001. APHIS expects this regulation to be final in the first half of FY 2002.

4. Citrus Canker

In FY 2001, APHIS spent $106.8 million in CCC funds to continue the citrus canker emergency eradication program in Florida. Of this amount, $56.2 million was spent on operational activities and $50.6 million was used to compensate commercial citrus growers. Operational activities consist of the aggressive removal of all infected trees, plus all *exposed* trees (those within 1,900 feet of an infected tree); a commercial growers compliance program to ensure that workers decontaminate their equipment to prevent spreading the disease; an intensive public education program; a Statewide survey of residential properties and commercial citrus groves; Statewide eradication activities; and a sentinel barrier program to contain the disease. Thus far, APHIS and the Florida Department of Agriculture have excluded this devastating disease from most of Florida's commercial citrus-producing areas. Program progress, however, was delayed in FY 2001 by a court injunction prohibiting the removal of exposed trees. As a result of this injunction, new infected trees are being found at an increasing rate. Through FY 2001, the program has destroyed 1.5 million commercial trees and 600,000 residential trees. The quarantine areas include 1,000 square miles in Dade and Broward Counties, and an additional 422 square miles in Collier, Hendry, Manatee, and Hillsborough Counties.

5. Chronic Wasting Disease

At the end of FY 2001, the Secretary declared an emergency and transferred $2,618,686 from the CCC to APHIS to conduct enhanced CWD surveillance, to remove existing and newly infected herds, and to support several development studies. CWD, a disease of deer and elk, is part of a group of diseases known as transmissible spongiform encephalopathies (TSEs). While considered rare, the incidence of this disease is on the rise among both wild and domestic cervids. First recognized in 1967, biologists believe the disease is caused by abnormal cellular proteins called "prions." The disease, which occurs mostly in adult animals, is progressive and always fatal. The disease has become of particular concern due to its fatal nature, lack of known prevention or treatment, and its possible transmissibility to cattle and humans. CWD is known to be endemic in a limited area in the western United States.

Because the funds were released so late in the fiscal year, APHIS will forward the majority of these funds into FY 2002. APHIS will use these funds to conduct surveillance, produce a CWD video, and to depopulate and compensate owners for infected and exposed animals.

6. Karnal Bunt

In FY 2001, APHIS spent $1.5 million of Commodity Credit Corporation funds to conduct Karnal Bunt (KB) eradication activities and pay compensation to individuals affected by the KB detections found in and around Young County, Texas, in June of 2001. Eradication activities consist of intensive survey, regulatory, identification, and investigation activities in Texas to contain the disease. Of the $1.5 million, APHIS spent $1.2 million on operational activities and $300,000 for compensation. The day after the detections were found, APHIS placed restrictions on the infested wheat, equipment, and the originating field. In addition, the USDA immediately halted grain movement, began traceback surveys, and tested surrounding fields. These tests revealed very low levels of KB in the newly regulated areas, with only a few bunted kernels in the samples that tested positive. Since first detecting KB outside of the regulated area, APHIS has continued to sample potentially affected wheat fields, storage facilities, and grain elevators; imposed regulatory measures; identified custom harvesters operating in the areas; and notified States where the wheat may be heading. In cooperation with the Texas Department of Agriculture, Federal and State experts are reinforcing USDA's safeguarding activities to prevent the fungus from spreading.

7. Mediterranean Fruit Fly (Medfly)

In FY 2001, the Secretary transferred $24,508,026 from the Commodity Credit Corporation for continued response to the emergency Medfly outbreaks in Mexico and Guatemala. The emergency program began in 1999, when a break down in the Medfly barrier caused outbreaks in several states in Mexico. Those outbreaks threatened that the pest could have established itself in the U.S., harming fruit and vegetable production and exports from key agricultural production areas, such as California and Florida. APHIS, working through the trilateral Moscamed program, has responded by spraying the infected area and releasing sterile flies for long-term eradication. In FY 2001, APHIS increased the production of sterile lies ready for release and sprayed larger tracts of land in Guatemala. The program's goal is to eradicate from Guatemala to its border with Honduras and El Salvador, to provide a more sound barrier against the Medfly establishing itself in Mexico and the U.S. FY 2001 also saw improvements in sterile fly production as well as new, more environmentally acceptable eradication techniques. All of these developments will prevent establishment of the Medfly in the U.S., as well as provide necessary flies and new techniques for domestic fruit fly programs. At the end of FY 2001, the Secretary approved another transfer of $9,130,000 that was necessary to purchase supplies needed for spraying in FY 2002.

8. Plum Pox Virus

In FY 2001, APHIS spent $14.6 million in Commodity Credit Corporation funds for PPV compensation and program operations. Of this total, $12.3 million was spent to compensate growers in Adams County, Pennsylvania, $1 million was spent on operational activities, $700,000 was spent on the national survey, and $600,000 was spent on methods development activities. Program operations consist primarily of survey, but also include tree removal, site preparation, and replanting activities. This program is showing excellent results. In FY 2001, APHIS removed all known infected trees promptly and took steps to reduce the disease's spread. As a result, we can assure stone fruit growers that PPV, which is a critical threat to the $1.8 billion stone- fruit industry, does not currently exist in the U.S. nursery system.

9. Pseudorabies:

The Accelerated Pseudorabies Eradication Program (APEP) began in FY 1999 with the transfer of $80 million from the Commodity Credit Corporation (CCC) to quickly remove many of the remaining infected swine to prevent further spread of the disease. Since the start of APEP, APHIS has depopulated 1,085 herds. Although tremendous progress has been made in many States, during FY 2001, the number of infected herds increased significantly in Iowa and southern Minnesota. In FY 2001, the Secretary authorized the transfer of an additional $56.1 million to continue the program. Of this amount, APHIS obligated $15.8 million. The funding was used for indemnities, surveillance, vaccination, compliance and enforcement.

10. Rabies

In FY 2001, the Secretary transferred $4.2 million from the CCC to APHIS to continue the oral rabies vaccination program (ORVP) in the eastern U.S. and Texas. The goal of the ORV program is to establish and maintain immunization barriers to control the disease within the outbreak zone and thwart its spread to new areas. Cooperating with States and the Canadian government, APHIS acquired oral rabies vaccine baits and aerial services critical to preventing raccoon rabies from spreading further westward by extending the existing vaccination zone from Ohio south to Charleston, West Virginia vicinity. We distributed additional baits in Pennsylvania as well as in New York and Vermont along the U.S./Canadian border. Also, we applied funds to restore the gray fox barrier in west central Texas. In FY 2001, there was one case of rabies on the Texas/Mexico border which confirms the need to maintain immunization barriers to prevent re-invasion of canine rabies into areas of Texas that have been free of it. All of these projects are of strategic value to prevent rabies from gaining a broader foothold in new, uninfected areas.

Summary:

In FY 2001, $335 million in CCC funds were released for the following programs:

	Available 1/
Asian Longhorned Beetle (ALB)*	49,598,351
Bovine Tuberculosis	60,123,958
Citrus Canker	117,446,506
Chronic Wasting Disease	2,645,196
Karnal Bunt	7,323,322
Medfly	33,638,026
Plum Pox Virus	2,112,776
Pseudorabies	56,159,892
Rabies	4,200,206
Vermont Sheep	1,574,198
Total	334,822,431

* Of this amount, $1- $2.9 million will be transferred to FS.
1/ Amounts reflect the .22 percent rescission.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
Buildings and Facilities

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

The estimates include appropriation language for this item as follows (new language underscored; deleted matter is enclosed in brackets):

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. [$7,189,000], $13,189,000 to remain available until expended (7 U.S.C. 2209b).

BUILDINGS AND FACILITIES

Appropriations Act, 2002	$ 7,189,000
Budget Estimate, 2003	13,189,000
Change in Appropriation a/	$ 6,000,000

a/ Supplemental funds provided in P.L. 107-117 are excluded.

SUMMARY OF INCREASES AND DECREASES
(on basis of appropriation)

Item of Change	2002 Enacted	Program Changes	2003 Estimated
Basic buildings and facilities repair, alterations, and preventive maintenance	$1,996,000	$3,000,000	$4,996,000
Animal Import/Export Facility, Miami, FL - Construction of a new animal and plant facility on the site currently occupied by Miami Animal Import Center (MAIC)	2,000,000	+3,000,000	5,000,000
Maintenance/modernization of Plum Island Animal Disease Center, Plum Island, NY	3,193,000	--	3,193,000
Total Available	$7,189,000	$6,000,000	$13,189,000

BUILDINGS AND FACILITIES

PROJECT STATEMENT
(On basis of available funds)

Item of Change	2001 Actual	2002 Enacted	Program Change	2003 Estimated
Total Obligations	$13,906,532	$11,603,050	$6,000,000	$17,603,050
Unobligated balance available, start of year	-15,577,459	-11,518,927	--	-5,104,877
Unobligated balance available, end of year	11,518,927	7,104,877	--	690,827
Total, Estimated Appropriated Funds	$9,848,000	$7,189,000	$6,000,000	$13,189,000

(1) A net increase of $6,000,000 for buildings and facilities ($7,189,000 available in FY 2002).

(a) An increase of $3,000,000 for construction of a new animal and plant facility on the site currently occupied by Miami Animal Import Center.

APHIS operates animal import quarantine facilities, animal export inspection facilities, and a plant quarantine facility at the Miami International Airport (MIA). These facilities are referred to collectively as the Miami Animal Import Center (MAIC).

In the mid-1990's, the Miami-Dade County Aviation Department (MDAD) notified APHIS that a major redevelopment project at the MIA had been authorized and would greatly affect the MAIC. Prior to this notification, APHIS negotiated with MDAD the construction of a new animal and plant facility on the site currently occupied by MAIC. The original estimated cost was $18,000,000. MDAD committed $18,000,000 to the project and APHIS agreed to provide any funds needed above this amount. Due to inflation, the estimated cost is now $25,200,000. This increase will help APHIS fund the shortfall.

(b) An increase of $3,000,000 for basic repairs, and maintenance.

The Agency performs maintenance, general repairs, and replacements of building components, such as heating, ventilation, and air conditioning (HVAC) on a prioritized basis at Agency-operated facilities including animal quarantine stations, border inspection stations, sterile insect rearing facilities, and laboratories. As the buildings age, major repairs or replacement items such as roofs, waste water treatment plants, and HVAC systems need to be made. Because facilities often handle environmentally sensitive materials, State and local authorities closely monitor our activities and demand repairs, upgrades, and replacements.

PROJECT STATEMENT
(On basis of appropriated funds)

	2001 Enacted	2002 Estimated	Increase or Decrease	2003 Estimated
Basic buildings and facilities repair and maintenance	$1,996,000	1,996,000	+3,000,000	$4,996,000
Maintenance/modernization of Plum Island Animal Disease Center, Plum Island, NY	3,193,000	3,193,000	–	3,193,000
Animal Import/Export Facility, Miami, FL - Construction of a new animal and plant facility on the site currently occupied by Miami Animal Import Center (MAIC)	–	2,000,000	+3,000,000	5,000,000
Construction of quarantine and seed facilities, Palmer, AK	4,659,000	–	–	–
Total, Estimated Appropriated Funds	$9,848,000	$7,189,000	$6,000,000	$13,189,000

ANIMAL AND PLANT HEALTH INSPECTION SERVICE
BUILDINGS AND FACILITIES
STATUS OF MAJOR CONSTRUCTION PROJECTS

Current Activities: The Buildings and Facilities appropriation funds major nonrecurring construction projects in support of program activities and recurring construction, alterations, and repairs of existing facilities. The ongoing major construction projects as of November 2001 are:

1. Outdoor Animal Holding Pens, Phase IB, National Wildlife Research Center, Fort Collins, Colorado - $2,500,000 available from the FY 1992 appropriation.

   The complex will be a GSA funded and managed construction project. APHIS used $2,500,000 to prepare the design documents and design revisions of the project.

2. Animal Research Building (ARB) Support Wing, Fort Collins, CO - $3,500,000 available from the FY 1999 appropriation.

   APHIS completed bid documents in 1996. However, due to changes in program requirements, we initiated minor design revisions. Design revisions have been completed. We expect construction contract award by the 2nd quarter of FY 2002.

3. Bison Quarantine Facility - $1,000,000 available from the FY 1998 appropriation.

   Management of brucellosis continued to be an issue in Yellowstone National Park (YNP) and in the greater Yellowstone area during FY 2001. In December 2000, the Departments of Agriculture and Interior signed a Record of Decision (ROD) for a bison management plan for the State of Montana and the YNP. The State of Montana also published a ROD, incorporating the same bison management plan. While the bison management plan does not actually focus on eradicating brucellosis, it does focus on managing bison to minimize the risk of brucellosis transmission. APHIS' next step is to work with other involved agencies to develop a brucellosis elimination plan for the Greater Yellowstone Area (GYA). The National Park Service made a decision for bison management in December 2000 that no construction will be initiated for at least 2 years ... subsequent to the exploration of other options proposed within the EIS.

4. National Plant Germplasm Quarantine Center: Phases I & II, Beltsville, MD - $24,000,000 available in total, from the FY 1991 and FY 1992 appropriations in equal amounts.

   APHIS awarded the construction contract in June 1998. The original low bid contractor defaulted at about 65 percent completion. A new contractor was hired by the Surety Company for the project and construction is now 99 percent complete with an estimated completion date of January 2002.

5. National Germplasm Quarantine Center: Phase III, Beltsville, MD - $1,000,000 available from FY 1993 appropriation.

   The funds (design only) for Phase III are being used to support construction contingencies associated with the completion of Phases I and II.

6. Plum Island Animal Disease Center Modernization, New York - $3,200,000 available from FY 2001 appropriation.

   This modernization project jointly planned between the Agricultural Research Service (ARS) and APHIS continues.

Questions Submitted by Mr. Bonilla

FY 2003 Budget

Grain Inspection, Packers and Stockyards Administration

COMPLAINTS FROM LIVESTOCK PRODUCERS

Mr. Bonilla: Update the table that appears in last year's hearing record showing the number of complaints received from livestock producers to include fiscal year 2001 actuals and fiscal year 2002 estimates.

Response: [The information follows:]

Fiscal Year	Number of Complaints	Number of Investigations Based on Complaints Received From Livestock Producers
1998	1,684	Not Available
1999	1,372	Not Available
2000	1,898	Not Available
2001	1,619	371*
2002	1,600	380*

*Estimate. GIPSA conducts investigations based on industry intelligence, follow up on prior investigations where violations were found, and complaints received from the industry.

GRAIN FACILITIES

Mr. Bonilla: Update the table that appears in last year's hearing record showing the number of persons or companies who registered under current statutes and the number of grain facilities involved in export activities to include 2001.

Response: [The information follows:]

Year	No. of Registrants	Total Facilities that Export
1997	85	365
1998	86	62*
1999	78	56
2000	79	57
2001	78	57

* Beginning in 1998, this figure includes only the elevators located at export port locations in the United States that export grain in waterborne carriers. It does not include elevators that export grain from the United States in land carriers that were previously reported.

Moreover, many entities that register do not own grain elevators (e.g. stevedoring companies, merchandisers, brokers, etc.). Also, those firms that export less than 1500 metric tons of grain annually are not required to register.

GRAIN INSPECTED AND/OR WEIGHED

Mr. Bonilla: Update the tables that appear in last year's hearing record, showing the grains inspected and/or weighed for export by country of destination for fiscal year 2001.

Response: [The information follows:]

GRAINS INSPECTED AND/OR WEIGHED FOR EXPORT BY COUNTRY OF DESTINATION

FY01 - YEAR TO DATE SEP 30, 2001

- METRIC TONS -

COUNTRY	WHEAT	RYE	YELLOW CORN	WHITE CORN	OATS	BARLEY	SORGHUM	SOYBEANS	FLAX	SUN FLOWER	TOTAL
AFGHANISTAN	970	0	0	0	0	0	0	0	0	0	970
ALGERIA	109,536	0	1,241,559	0	0	0	0	0	0	0	1,351,095
ANGOLA	25,000	0	60,045	0	0	0	0	0	0	0	85,045
ARMENIA	34,500	0	0	0	0	0	0	0	0	0	34,500
BAHRAIN	11,000	0	0	0	0	0	0	0	0	0	11,000
BANGLADESH	254,940	0	0	0	0	0	0	0	0	0	254,940
BARBADOS	42,535	0	31,825	0	0	0	0	20,907	0	0	95,267
BELARUS	0	0	10,999	0	0	0	0	0	0	0	10,999
BELGIUM	174,481	0	0	0	0	0	0	621,336	17,896	0	813,713
BELIZE	18,662	0	0	0	0	0	0	0	0	0	18,662
BENIN	2,050	0	1,600	0	0	0	0	0	0	0	3,650
BOLIVIA	23,982	0	0	0	0	0	0	0	0	0	23,982
BOSNIA-HERC	48,630	0	0	0	0	0	0	0	0	0	48,630
BOTSWANA	18,099	0	0	0	0	0	0	0	0	0	18,099
BRAZIL	88,508	0	15,536	0	0	0	0	0	0	0	104,044
BURUNDI	0	0	2,431	0	0	0	0	0	0	0	2,431
CAMEROON	5,000	0	1,060	0	0	0	0	0	0	0	6,060
CAPE VERDE	3,500	0	17,875	0	0	0	0	0	0	0	21,375
CHAD	0	0	2,501	0	0	0	0	0	0	0	2,501
CHILE	75,908	0	32,533	0	0	0	0	0	0	0	108,441
CHINA MAIN	136,536	0	0	0	0	56,473	0	5,465,070	0	0	5,658,079
CHINA T	956,415	0	5,119,345	0	0	33,600	0	2,091,145	0	0	8,200,505
COLOMBIA	589,255	0	1,581,367	62,499	0	0	0	108,484	0	0	2,341,605
CONGO (BRAZ)	65,396	0	3,766	0	0	0	0	0	0	0	69,162
COSTA RICA	166,744	0	449,182	20,342	0	0	0	194,491	0	0	830,759
CYPRUS	22,009	0	64,133	0	0	0	0	0	0	0	86,142
DENMARK	0	0	0	0	0	0	0	61,015	0	0	61,015
DJIBOUTI	1,141	0	0	0	0	0	0	0	0	0	1,141
DOMINICN REP	273,579	0	964,531	0	0	0	0	0	0	0	1,238,110
ECUADOR	203,363	0	115,965	0	0	0	0	5,500	0	0	324,828
EGYPT	3,379,870	0	4,282,235	0	0	0	0	147,605	0	0	7,809,710
EL SALVADOR	260,096	0	451,407	85,582	0	0	0	280	0	0	797,365
ERITREA	193,292	0	0	0	0	0	24,117	0	0	0	217,409
ESTONIA	0	0	9,054	0	0	0	0	0	0	0	9,054
ETHIOPIA	502,185	0	0	0	0	0	0	0	0	0	502,185
FINLAND	8,051	0	0	0	0	0	0	120,263	0	0	128,314
FRANCE	0	0	0	0	0	0	0	236,504	0	0	236,504
GABON	9,135	0	0	0	0	0	0	0	0	0	9,135
GEORGIA	14,800	0	0	0	0	0	0	0	0	0	14,800
GERMANY	0	0	3,920	0	0	0	0	769,750	0	0	773,670

GRAINS INSPECTED AND/OR WEIGHED FOR EXPORT BY COUNTRY OF DESTINATION

FY01 - YEAR TO DATE SEP 30, 2001

- METRIC TONS -

COUNTRY	WHEAT	RYE	YELLOW CORN	WHITE CORN	OATS	BARLEY	SORGHUM	SOYBEANS	FLAX	SUN FLOWER	TOTAL
GHANA	91,949	0	8,200	0	0	0	0	0	0	0	100,149
GREECE	0	0	0	0	0	0	0	168,181	0	0	168,181
GRENADA	0	0	4,662	0	0	0	0	0	0	0	4,662
GUATEMALA	122,134	0	374,773	49,730	0	0	0	13,200	0	0	559,837
GUYANA	52,058	0	12,713	0	0	0	0	160	0	0	64,931
HAITI	155,818	0	1,281	0	0	0	0	0	0	0	157,099
HONDURAS	190,762	0	197,091	18,245	0	0	0	0	0	0	406,098
ICELAND	6,276	0	14,040	0	0	0	0	0	0	0	20,316
INDONESIA	778,656	0	569,789	0	0	0	0	1,256,321	0	0	2,604,766
IRAQ	0	0	81,001	0	0	0	0	0	0	0	81,001
IRELAND	0	0	0	0	0	0	0	4,003	0	0	4,003
ISRAEL	588,538	0	672,042	0	0	0	102,682	582,096	0	0	1,945,358
ITALY	998,371	0	0	0	0	0	0	236,800	0	0	1,235,171
IVORY COAST	13,688	0	0	0	0	0	0	0	0	0	13,688
JAMAICA	198,467	0	234,989	0	0	0	0	0	0	0	433,456
JAPAN	3,002,479	0	14,448,056	49,179	0	469,973	851,988	3,398,132	0	0	22,219,807
JORDAN	411,244	0	0	0	0	52,431	0	0	0	0	463,675
KENYA	64,430	0	230,829	0	0	0	8,061	0	0	0	303,320
KOREA REP	1,314,111	0	3,212,435	0	0	0	0	1,142,859	0	0	5,669,405
LEBANON	140,119	0	188,694	0	0	0	0	0	0	0	328,813
LIBYA	201,513	0	0	0	0	0	0	0	0	0	201,513
LITHUANIA	0	0	12,992	0	0	0	0	0	0	0	12,992
MALAWI	0	0	2,461	0	0	0	0	0	0	0	2,461
MALAYSIA	103,825	0	2,200	0	0	0	0	236,593	0	0	342,618
MALTA	42,659	0	0	0	0	0	0	0	0	0	42,659
MAURITANIA	13,498	0	840	0	0	0	0	0	0	0	14,338
MEXICO	1,797,113	0	4,620,657	1,070,219	119	12,652	3,615,976	3,857,250	0	13,693	14,987,679
MONGOLIA	30,000	0	0	0	0	0	0	0	0	0	30,000
MOROCCO	309,306	0	532,254	0	0	51,786	0	123,062	0	0	1,016,408
MOZAMBIQUE	128,310	0	0	0	0	0	0	0	0	0	128,310
NAMIBIA	12,000	0	0	0	0	0	0	0	0	0	12,000
NETH ANTIL	7,352	0	6,738	0	0	0	0	0	0	0	14,090
NETHERLANDS	135,414	0	0	0	0	0	0	2,584,846	17,386	0	2,737,646
NICARAGUA	79,369	0	94,357	2,763	0	0	0	210	0	0	176,699
NIGERIA	1,601,196	0	5,000	0	0	0	0	0	0	0	1,606,196
NORTH KOREA	200,000	0	55,150	0	0	0	0	10,004	0	0	265,154
NORWAY	18,556	0	0	0	0	0	0	0	0	0	18,556
PAKISTAN	250,278	0	0	0	0	0	0	40,939	0	0	291,217
PANAMA	91,314	0	252,546	8,993	0	0	0	0	0	0	352,853
PERU	474,132	0	171,878	0	0	0	0	0	0	0	646,010
PHILIPPINES	1,876,123	0	106,137	33,000	0	0	7,810	324,890	0	0	2,347,960

GRAINS INSPECTED AND/OR WEIGHED FOR EXPORT BY COUNTRY OF DESTINATION

FY01 - YEAR TO DATE SEP 30, 2001

- METRIC TONS -

COUNTRY	WHEAT	RYE	YELLOW CORN	WHITE CORN	OATS	BARLEY	SORGHUM	SOYBEANS	FLAX	SUN FLOWER	TOTAL
PORTUGAL	16,501	0	0	0	0	0	0	269,368	0	0	285,869
REP S AFRICA	56,604	0	0	0	0	0	0	6,060	0	0	62,664
ROMANIA	0	0	0	0	0	0	0	15,787	0	0	15,787
RUSSIA	0	0	86,774	0	0	0	0	0	0	0	86,774
RWANDA	0	0	3,622	0	0	0	0	0	0	0	3,622
SAUDI ARABIA	9,681	0	1,089,602	0	0	273,429	0	0	0	0	1,372,712
SENEGAL	0	0	3,200	0	0	0	0	0	0	0	3,200
SIERRA LEONE	1,774	0	0	0	0	0	0	0	0	0	1,774
SINGAPORE	41,203	0	0	0	0	0	0	0	0	0	41,203
SOMALIA	0	0	0	0	0	0	9,558	0	0	0	9,558
SPAIN	389,415	0	0	0	0	38,648	0	1,229,955	0	0	1,658,018
SRI LANKA	534,999	0	0	0	0	0	0	0	0	0	534,999
ST. VINCENT	14,230	0	10,941	0	0	0	0	0	0	0	25,171
SUDAN	97,433	0	31,098	0	0	0	20,149	0	0	0	148,680
SURINAME	22,141	0	16,314	0	0	0	0	0	0	0	38,455
SWITZERLAND	0	0	0	0	0	0	0	16,757	0	0	16,757
SYRIA	0	0	557,348	0	0	0	0	36,752	0	0	594,100
TANZANIA	0	0	3,595	0	0	0	0	0	0	0	3,595
THAILAND	313,741	0	0	0	0	0	0	638,478	0	0	952,219
TRINIDAD	139,646	0	94,162	0	0	0	0	102,433	0	0	336,241
TUNISIA	232,688	0	540,674	0	0	0	0	0	0	0	773,362
TURKEY	0	0	544,439	0	0	0	0	344,579	0	0	889,018
UGANDA	20,580	0	16,804	0	0	0	0	0	0	0	37,384
UN ARAB EM	58,002	0	8,800	0	0	0	0	0	0	0	66,802
UN KINGDOM	82,956	0	0	0	0	32,353	0	232,141	0	0	347,450
UZBEKISTAN	0	0	0	0	0	0	0	105,456	0	0	105,456
VENEZUELA	557,037	0	1,186,670	0	0	0	0	52,157	0	14,687	1,810,551
VIETNAM	46,074	0	0	0	0	0	0	0	0	0	46,074
YEMEN	478,604	0	0	0	0	0	0	0	0	0	478,604
GRAND TOTAL	26,333,535	0	44,770,717	1,400,552	119	1,021,345	4,640,341	26,871,819	35,282	28,380	105,102,090
SHIPMENTS TO CANADA*	475,209	0	1,111,813	0	0	0	0	1,172,963	0	0	2,816,493

MIXED CORN IS INCLUDED WITH YELLOW CORN.
*NOT INCLUDED IN TOTAL INSPECTION FOR EXPORTS
GRAIN SHIPPED FOR STORAGE IN CANADA IS REPORTED AT TIME OF SHIPMENT FROM ST LAWR SWY PORTS.

SOURCE: FEDERAL GRAIN INSPECTION SERVICE

GRAIN DUST EXPLOSIONS

Mr. Bonilla: Update the table that appears in last year's hearing record showing the number of explosions resulting from grain dust, including the number of deaths and injuries, to include fiscal year 2001.

Response: [The information follows:]

Year	Explosions	Injuries	Deaths
1997	14	8	1
1998	18	21	7
1999	11	15	0
2000	9	19	1
2001	8	7	1

EXPORTED GRAIN COMPLAINTS

Mr. Bonilla: Update the table that appears in last year's hearing record showing the number of complaints for exported grain that you received and the number of open cases to include fiscal year 2001 actuals and fiscal year 2002 figures to date.

Response: [The information follows:]

Fiscal Year	No. Complaints	No. Cases Open
1997	23	0
1998	15	0
1999	22	0
2000	13	0
2001	18	0
2002 (to 3/8)	5	3

AFLATOXIN INSPECTIONS

Mr. Bonilla: For the record, please update the table that appears in last year's hearing record showing the number of aflatoxin inspections to include fiscal year 2001.

Response: [The information follows:]

Fiscal Year	No. of Inspections
1997	62,582
1998	54,923
1999	62,875
2000	62,701
2001	61,234

VIOLATION REPORT CALLS

Mr. Bonilla: How many violation report calls did you receive in fiscal year 2001? How many were investigated? What is the nature of violations reported?

Response: GIPSA-FGIS received three telephone calls in FY 2001 via its toll-free number (hotline), but none were reported as apparent violations.

During FY 2001, GIPSA-P&SP received nearly 400 complaints from livestock producers, poultry producers, and the public. Of these, 124 were received over GIPSA's hotline. Many of the hot line complaints were from poultry growers alleging contract or settlement violations by poultry integrators. Each complaint received was referred to the appropriate regional office for review and investigation. Frequently, multiple complaints were received regarding the same issue and were handled as a single investigation. Complaints received are often from livestock sellers who were not paid or who alleged that they failed to receive a fair or competitive market value for their livestock sold at an auction market, to a livestock dealer, or sold to a meat packer for slaughter.

POULTRY COMPLIANCE COMPLAINTS

Mr. Bonilla: Update the table that appears in last year's hearing record showing the number of poultry compliance complaints received in fiscal years 1994 through 2001.

Response: [The information follows:]

Fiscal Year	Number of Complaints
1994	88
1995	104
1996	86
1997	66
1998	82
1999	113
2000	97
2001	125

DEALER/ORDER BUYER FINANCIAL FAILURES

Mr. Bonilla: Please update the table that appears in last year's hearing record showing dealer/order buyer financial failures to include fiscal year 2001.

Response: [The information follows:]

Fiscal Year	No. of Dealers Failures	Total Owed Livestock Sellers	Recovery From Bonds	Recovery From Other Sources	Percent Total
1997	8	$732,424	$243,450	$38,064	38
1998	10	$685,726	$133,345	$61,435	28
1999	10	$1,684,128	$291,261	$38,024	20
2000	11	$1,464,733	$324,979	$91,800	28
2001	11	$2,841,305	$317,444	$24,786	12

FOUR FIRM CONCENTRATION

Mr. Bonilla: Also update the following table showing the four firm concentration ratio for steer and heifer slaughter, boxed beef, sheep and lamb slaughter, and hog slaughter to include data for 2000.

Response: [The information follows:]

Four-firm Concentration in Meat Packing
Reporting Years 1980-2000

Year	Steers & Heifers	Boxed Beef	Sheep & Lambs	Hogs
1980	36	57	56	34
1981	40	59	53	33
1982	41	60	44	36
1983	47	60	44	29
1984	50	62	49	35
1985	50	62	51	32
1986	55	67	54	33
1987	67	80	75	37
1988	70	79	77	34
1989	70	79	74	34
1990	72	79	70	40
1991	75	79	72	44
1992	78	81	71	44
1993	81	83	73	43
1994	82	86	73	45
1995	81	84	72	46
1996	79	82	73	55
1997	80	83	65	54
1998	80	84	68	56
1999	81	85	68	56
2000	82	NA	67	56

Note: All figures for years 1980 through 1990 are based on firms' fiscal years as reported to GIPSA. Figures for 1991 through 2000 are based on calendar year Federally-inspected slaughter.

AUCTION MARKET FAILURES

Mr. Bonilla: Please update the table that appears in last years hearing record showing the number of auction market failures, the amount owed for livestock each year, and the amount recovered from bonds and other sources during each year to include fiscal year 2001.

Response: [The information follows:]

AUCTION MARKET FAILURES

Fiscal Year	No. of Auctions	Total Owed Consignors	Recovery From Bonds	Recovery From Other Sources	Percent Total
1997	5	258,768	182,029	13,473	76
1998	2	225,001	66,131	0	29
1999	3	862,666	60,000	424,589	56
2000	4	399,023	100,193	186,113	71
2001	4	1,104,985	133,745	519,265	47

LIVESTOCK SLAUGHTER

Mr. Bonilla: Update the table that appears in last years hearing record, showing what percentage of the livestock that is slaughtered annually comes from captive supplies and/or forward contracts to include fiscal year 2000 actuals.

Response: The data are in the table below. Data are not yet available for 2000, and data for the 15 largest packers are not available for 1999. Data for 1999 for the top 4 packers are from the GIPSA's special report to Congress, "Captive Supply of Cattle and GIPSA's Reporting of Captive Supply," January 11, 2002, and are based on GIPSA's audit of the transaction records of the four largest steer and heifer slaughterers. Data for 1999 are not comparable with 1998 data.

Packer feeding and acquisition through forward contracts and marketing agreements as a percentage of leading packer's total steer and heifer slaughter, 1990-99

Year	Packer fed cattle	Cattle from forward contracts and marketing agreements	Total
		Percent	
		4 largest beef packers	
1990	5.1	15.1	20.1
1991	4.7	14.0	18.7
1992	4.1	16.7	20.8
1993	3.8	13.7	17.5
1994	3.9	17.0	20.9
1995	3.2	18.1	21.3
1996	3.4	19.2	22.5
1997	3.8	16.2	20.1
1998	3.5	18.9	22.4
1999 *	8.4	23.9	32.3
		15 largest beef packers	
1990	5.0	13.9	18.9
1991	4.5	12.7	17.2
1992	4.1	15.3	19.5
1993	4.1	13.3	17.4
1994	4.0	16.5	20.5
1995	3.3	17.8	21.1
1996	3.3	18.8	22.2
1997	3.7	14.9	18.6
1998	3.7	17.7	21.4
1999	NA	NA	NA

* Audited Numbers

SLAUGHTERS/PROCESSORS SUBJECT TO THE P&S ACT

Mr. Bonilla: Would you please update the table that appears in last years hearing record showing the number of slaughtering and processing packers subject to the Packers and Stockyards Act to include fiscal year 2001.

Response: Data for fiscal year 2001 are not yet available.

Slaughterers and Processors Subject to the P&S Act 1/

Year	Bonded slaughtering firms[2]	Non-bonded slaughtering plants[3]	Processing-only plants[4]
1990	574	659	4,402
1991	585	572	4,415
1992	533	542	4,352
1993	517	527	4,355
1994	486	483	4,258
1995	467	431	4,202
1996	430	488	4,229
1997	427	468	4,192
1998	399	513	4,296
1999	386	492	4,197
2000	359	463*	N/A
2001	335	N/A	NA

* Preliminary

1 Data are not available on the number of non-Federally inspected, non-bonded slaughtering plants and processing-only plants subject to the P&S Act.

2 Includes all bonded firms that operate Federally-inspected (FI) and non-Federally-inspected (NFI) plants. The P&S Act requires firms with purchases of $500,000 or more to be bonded and file annual reports. Some firms with smaller volumes of purchases are voluntarily bonded and are included in this column, but do not file annual reports.

3 This column is an estimate of the number of non-bonded slaughter firms (operating FI plants) subject to regulation under the P&S Act that are not required to be bonded because they purchase less than $500,000 of livestock per year. Includes slaughtering plants that also do processing. Excludes NFI plants.

4 Firms that conduct processing-only operations are not required to be bonded. Excludes NFI plants.

NA = data not yet available.

CUSTODIAL ACCOUNT COMPLIANCE AUDITS

Mr. Bonilla: Update the table that appears in last years hearing record showing the number of compliance audits conducted on custodial accounts, the number of markets with shortages, the total dollars involved, and the amount restored to include fiscal year 2001.

Response: [The information follows:]

CUSTODIAL ACCOUNT COMPLIANCE AUDITS

Fiscal Year	No. of Audits	No. of Markets With Shortages	Total Amount of Shortages	Amount Restored
1997	375	103	2,903,333	1,876,096
1998	393	187	5,705,252	3,690,355
1999	233	103	4,294,368	2,701,091
2000	374	154	9,161,520	5,916,746
2001	322	156	8,966,218	6,313,383

COMPETITION, FAIR TRADE PRACTICES, FINANCIAL PROTECTION

Mr. Bonilla: Please provide a table showing the amount of funds spent on competition, fair trade practices, and financial protection to include fiscal years 1999 through fiscal year 2003.

Response: [The information follows:]

Fiscal Year	Competition	Fair Trade Practices	Financial Protection
1999	$2,712,400	$3,254,880	$4,204,220
2000	$2,985,600	$3,582,720	$4,627,680
2001	$3,431,200	$4,117,440	$5,318,360
2002	$3,574,600 est.	$4,289,520 est.	$5,540,630 est.
2003	$3,574,600 est.	$4,289,520 est.	$5,540,630 est.

FY 2003 BUDGET REQUEST

Mr. Bonilla: Provide a breakout, by item of your fiscal year 2003 budget request to the Secretary, the Secretary's request to OMB, and the OMB allowance.

Response: Agency and Department materials used in developing the FY 2003 President's budget are considered "pre-decisional" materials and therefore remain a matter of internal record.

ECONOMIC/STATISTICAL ANALYSIS

Mr. Bonilla: Are there any legal actions pending which require economic and statistical analysis by the agency? If so, how many? Please summarize them for the record.

Response: There are currently 31 investigations underway that require varying degrees of economic or statistical analysis. In addition, substantial economic analysis is required to implement the congressionally mandated hog contract library. Currently, there are no legal

actions pending in the Office of General Counsel that require economic or statistical analyses. The complaints against Excel Corporation, Farmland National Beef Packing Company, L.P., and W.W. Livestock, Inc. mentioned in last year's testimony have been adjudicated, although the decision against Excel Corporation is under appeal.

DEALER FAILURES

Mr. Bonilla: How much of the amount of unrecovered losses in the livestock marketing chain is dealer failures during fiscal year 2001?

Response: The amount of unrecovered losses in the livestock marketing chain during fiscal year 2001 due to dealer failures is $2,499,075.

UNRECOVERED LOSSES

Mr. Bonilla: Please provide a five-year table showing the total unrecovered losses from dealer failures compared to the total owed sellers of livestock at the time of failure to include fiscal year 2001.

Response: [The information follows:]

UNRECOVERED LOSSES FROM DEALER FAILURES

Fiscal Year	Total Owed Livestock Sellers	Unrecovered Losses	Total Percent Unrecovered
1997	732,424	450,910	62
1998	685,726	490,946	72
1999	1,684,128	1,354,843	80
2000	1,464,733	1,047,954	71
2001	2,841,305	2,499,075	88

SELECT ELEMENT IN GRAINS

Mr. Bonilla: Please provide an update on the work GIPSA is doing with the World Health Organization's proposed guidelines for select elements in grains?

Response: The CODEX Committee on Food Additives and Contaminants (CCFAC), under the Joint FAO/WHO Food Standards Program, has returned the draft maximum levels for lead to step 6 for redrafting by the delegation of Denmark, with the assistance of the United States. The Committee has also returned the draft guidelines for cadmiun to step 6 for future comment. The next meeting of the CCFAC was scheduled for March 12-16, 2002.

PESTICIDE DATA PROGRAM

Mr. Bonilla: What is your agency doing in support of the Pesticide Data Program in fiscal year 2001? How much does the agency expect to spend in fiscal years 2002 and 2003 in support of the Pesticide Data Program?

Response: The Pesticide Data Program is administered by the Agricultural Marketing Service (AMS). GIPSA provides analytical services to AMS through a reimbursable agreement. In fiscal year 2001, GIPSA analyzed 660 rice samples for 40 pesticide residues and 328 peanut butter samples for 58 pesticide residues. Two new methods for the analysis of rice were also developed in fiscal year 2001.

In fiscal years 2002 and 2003, GIPSA plans to spend approximately $400,000 each year in support of the Agricultural Marketing Service's Pesticide Data Program.

VIOLATION CASES - GRAIN

Mr. Bonilla: Were there any violation cases pending at the end of fiscal year 2001? What is the status of any violation cases that were pending at the end of fiscal year 2001?

Response: GIPSA had six cases pending action at the end of fiscal year 2001. All six are pending further action.

INTERNATIONAL MONITORING PROGRAM

Mr. Bonilla: One of the international monitoring program functions is to travel to other countries to explain the agency's inspection and weighing procedures. How many countries did staff travel to in fiscal year 2001, and how many are planned for fiscal year 2002? What is the total cost of this travel? How much do the participating entities contribute to these costs? Provide for the record a list of countries you traveled to in fiscal year 2001, and the amount of funding each entity provided. Also, provide for the record a list of countries you plan to travel to or have traveled to in fiscal year 2002, and the amount of funding each entity provided or will provide.

Response: In fiscal year 2001, staff traveled to 20 countries (on 26 trips) to explain the agency's inspection and weighing procedures, attend meetings with international government officials, attend conferences, and respond to grain quality discrepancies. A list of destinations follows.

Algeria	Korea
Austria	Mexico
Belgium	Morocco
Canada	Nicaragua
Costa Rica	Philippines
Germany	Singapore

Guatemala	Tanzania
Italy	Thailand
Japan	Uganda
Kenya	Zambia

The total costs (and funding source) for fiscal year 2001 is summarized below.

Funding Sources	Travel Costs
GIPSA	$13,196
Other USDA Agencies	82,508
Private Sector	18,320
TOTAL	$114,024

In fiscal year 2002, staff traveled to 12 countries, and we anticipate travel to approximately 11 more during the rest of the year. A list of the destinations follows.

Botswana	Mozambique
Canada	Namibia
China	Panama
Egypt	Philippines
Haiti	Romania
Hungary	Russia
India	Singapore
Indonesia	South Africa
Japan	Taiwan
Korea	Thailand
Mexico	Tunisia
Vietnam	

The estimated total costs (and funding source) for fiscal year 2002 is summarized below.

Funding Sources	Travel Costs
GIPSA	$77,340
Other USDA Agencies	85,334
Private Sector	2,013
TOTAL	$164,687

ADP HARDWARE/SOFTWARE PURCHASES

Mr. Bonilla: Provide GIPSA's spending levels for ADP hardware and software purchases and related contractual support in fiscal year 2001, and estimates for fiscal years 2002 and 2003?

Response: [The Information follows:]

	FY 2001	FY 2002	FY 2003
Equipment (purchases/leases)	$531,000	$ 620,000	$1,375,000
Software (purchases/leases)	279,000	318,000	815,000
Contractual Support	74,000	100,000	1,838,000
TOTAL	$884,000	$1,038,000	$4,028,000

PROPOSED REGULATION - FEED WEIGHING

Mr. Bonilla: Provide the Committee with the current status of proposed regulations for feed weighing, live bird weighing, and growing contracts that base grower payment on comparison of other grower' performance.

Response: On April 5, 2000, GIPSA published in the *Federal Register* a final rule for the feed weight regulations. The new regulation, effective since May 5, 2000, requires that feed weight be properly documented whenever it affects payment to livestock and poultry growers. This regulation applies when livestock or poultry are produced under a contract growing arrangement.

In February 1997, GIPSA issued an Advance Notice of Proposed Rulemaking (ANPRM) soliciting comments from poultry growers, integrators, and other interested parties on the need for and the possible wording of regulations regarding comparison contracts, feed weighing procedures, and live poultry weighing. GIPSA received 3,415 comments in response to the ANPRM. Since that time, GIPSA analyzed the comments, considered standard poultry industry practices, and considered alternative solutions. GIPSA has not proposed new or revised regulations for live bird weighing or growing contracts that base grower payment on comparison of other growers' performance.

ANTI-COMPETITIVE BEHAVIOR

Mr. Bonilla: Are any funds currently being targeted to identify anti-competitive behavior and to examine competitive implications of contract livestock production? If so, how much?

Response: Packers and Stockyards Programs' Competition Staff has targeted $3,574,600 to identify anti-competitive behavior and to examine competitive implications of contract livestock production.

COMPETITIVE STRUCTURE OF THE POULTRY INDUSTRY

Mr. Bonilla: Which universities and other institutions are being used to conduct work related to the examination of the competitive structure of the poultry industry?

Response: In FY1999, we entered into two cooperative research agreements that examine the competitive structure of the poultry industry. A brief description and estimated completion date for each follows.

Economic Effects of Regulating Broiler Contracts, Department of Agricultural and Resource Economics, North Carolina Agricultural Research Service (North Carolina State University).

This project is examining the economic effects on contract growers and integrators of alternative compensation methods (rather than basing payment on a grower's performance relative to other growers' performance); the distribution between growers and integrators of business risks associated with different layout times between flocks; and the effects of different asset requirements imposed on growers. This project has been extended to September 2002 to enable the researchers to prepare reports for potential publication.

The Market for Poultry Grower Services: Dimensions and Market Power Exertion, Department of Agricultural Economics, Texas Agricultural Experiment Station (Texas A&M University).

This project is examining relevant markets for broiler grower services and testing for possible use of market power in the procurement of such services. The study will attempt to determine if and how competition by competing integrators influences the terms of contracts offered by an integrator in a given market area. The project has been extended until September 2002 to allow the researchers to conduct additional analyses and allow GIPSA to review the output.

RAPID RESPONSE TEAMS

Mr. Bonilla: How much is GIPSA currently spending on rapid response teams? How much is planned for FY 2003?

Response: In fiscal year 2001 GIPSA conducted 51 rapid response investigations at a cost of approximately $332,430. Because of these investigations, GIPSA was able to recover over $6.1 million for livestock producers and poultry growers in fiscal year 2001. GIPSA has

conducted 13 rapid response investigations to date in fiscal year 2002 at a cost of approximately $292,940. Fiscal year 2002 rapid response investigations have resulted in recovery of over $2.6 million for livestock producers. We anticipate spending approximately $500,000 on rapid response investigations in fiscal year 2003.

Mr. Bonilla: How many GIPSA staff were dedicated to rapid response in fiscal year 2001 and how many are dedicated to rapid response in fiscal year 2002?

Response: In fiscal year 2001, 94 GIPSA employees were involved in conducting 51 rapid response investigations. GIPSA has involved 37 employees in conducting the 13 rapid response investigations in fiscal year 2002.

BIOTECHNOLOGY FACILITY

Mr. Bonilla: What is the status of the biotechnology facility project?

Response: The biotechnology facility was completed and fully staffed in FY 2001.

WEB SERVER FARM

Mr. Bonilla: The budget proposes an increase of $790,000 to establish and maintain a Web server farm. How much is for hardware/software and how much is for staff? What are the projected annual maintenance costs? How many servers are needed to establish this Web server farm? Will this Web farm be housed within current GIPSA offices or at some other location?

Response: The initial hardware/software cost for the Web server farm is projected to be $400,000. The first year staff cost will be $300,000 with contractor support for design, installation support and training another $90,000. The annual maintenance cost including hardware/software and staff are projected to be $340,000 per year.

GIPSA is planning to use seven servers in the initial Web farm. There will be a production server, an integration server, and a development server located at both the primary and the fail-over sites. The seventh server will be used for development work and as a "hot spare" in case of a production server failure. In addition to the servers, GIPSA will need to establish redundant firewalls in front of the Web farm, high performance switching routers, and auto-loading tape archiving capabilities at both the primary and fail-over sites.

The Web farm will be housed in current GIPSA facilities. The primary site will be the headquarters GIPSA location in Washington, DC. The secondary fail-over site will be housed in the Technical Services Division located in Kansas City, MO. This will allow our current Network and Telecommunications Computer Engineers to secure and manage the Web farm along with the other GIPSA computers they currently manage.

IT ENVIRONMENT

Mr. Bonilla: Is GIPSA currently working with a common IT environment for the receipt and delivery of data between the agency and customers? If not, how inefficient is GIPSA's program delivery?

Response: GIPSA currently has an IT environment that is a mixture of data platforms and technologies. GIPSA has established standard file formats for the exchange of grain inspection data. GIPSA is currently primarily using paper and paper equivalents such as faxes and remote printing for the capture and transfer of agency data. A small amount of grain inspection data in a pilot project is currently being transferred electronically using e-mail upon request from a grain trading company.

While GIPSA has had a Web presence of fixed information for over five years, we currently do not have any production Web applications.

Since the primary source for data into and out of GIPSA is paper documents, program delivery is slowed by the processing of the paper documents. The big improvement in program delivery would come from the shorting of business processes that are enabled through eGovernment.

IT SECURITY

Mr. Bonilla: The budget proposes a $565,000 increase for IT security. Based on the request, GIPSA will be adding servers in field offices to provide for security, daily backups, and catastrophic recovery capabilities. How many field offices will get new servers for this purpose? How often is data currently backed up? How is data backed up? Is the backed up data stored in the same location as the original data? What is GIPSA's plan to establish catastrophic recovery capabilities? Could a backup and catastrophic recovery plan be developed using the same system?

Response: New servers will be added in five field offices and the on-line data storage will be increased in three field offices. About 100 new desktop computers will be added to enable support for a more secure operating system. All desktop operating systems will be upgraded to the more secure Windows XP. Additional software management and security software will be added to all desktop computers. For the smaller field offices that do not receive servers, backup computer storage space will be available for their use by way of Virtual Private Networks (VPN) connected to the larger offices.

In the offices that currently have servers, data is backed up on a daily basis to computer tape. In addition, the larger offices employee both "data clusters" and disk "raid arrays" to insure data integrity.

All backed up data is stored off site on a weekly basis.

GIPSA will employ the features of its Microsoft NT servers and its Wide Area network

connections to "mirror" data at multiple agency computer sites. This will mesh with the Continuity of Operations plans and allow relocated managers immediate access to all their computer files. This plan will depend on moving GIPSA to an integrated Microsoft NT environment and decommissioning the existing HP mini-computers, Novell, Unix/Linux, and OS2/Warp servers.

Yes, the backup and catastrophic recovery plans will use the evolving Microsoft NT capabilities.

UNIFIED DATA WAREHOUSE

Mr. Bonilla: If the $850,000 request to integrate existing disparate database information systems into a unified data warehouse were approved, would the entire $850,000 be contracted out to develop a single system?

Response: We project that about $550,000 of the $850,000 would be contracted out. This outside contracting would by necessity include up front analysis and business process reengineering. We would anticipate one vendor for the analysis, business reengineering, database design, programming, and implementation phases of this project. The other $300,000 would be used to acquire the hardware and software to support this large database effort and to provide for new employee and customer interfaces to the new database.

BIOTECHNOLOGY

Mr. Bonilla: Please explain for the Committee how GIPSA's newly established biotechnology program works.

Response: Recognizing the potential impact of biotechnology on the grain industry, GIPSA responded by developing a biotechnology program to assist in facilitating the movement of grain in the U.S. and for export. In FY 2001, GIPSA completed the biotechnology reference laboratory at the Technical Center in Kansas City, Missouri, and formally established a program to evaluate the performance of protein-based tests for StarLink™ corn. In FY 2002, GIPSA expanded this program to include other biotechnology events and established a Proficiency Program to enable organizations to improve the reliability of their testing services for biotechnology events.

BIOSAFETY PROTOCOL

Mr. Bonilla: Bring the Committee up to date on the Biosafety Protocol. What will GIPSA's role be in this new protocol? What ability does GIPSA now have to distinguish specific crops?

Response: As of March 1, 2002, 12 countries have ratified the Cartagena Protocol on Biosafety; 50 must ratify before it enters into force. (The United States is not a party to the Convention on Biological Diversity and therefore will not be a party to the protocol.) There is speculation that the required 50 countries may ratify by early 2003.

The Intergovernmental Committee for the Cartagena Protocol (ICCP) was formed to develop plans to implement the protocol. The United States is a full participant in the ICCP. The third meeting of ICCP will take place in The Hague April 22 - 26, 2002.

One topic for discussion at that meeting will be implementation of Article 18 of the protocol, which deals with documentation requirements for the transboundary movement of living modified organisms, or LMO's, including commodity grain that may be a product of modern biotechnology. The United States supports using existing documentation (for example, the commercial invoice) for satisfying documentation requirements for LM0's, in which case U.S. Government documentation would not be required.

A technical experts meeting is taking place in Montreal, Canada, March 12 - 20 to prepare for the ICCP meeting in April. GIPSA is represented on the U.S. delegation to the techical experts meeting that week and the ICCP meeting in April.

Through Confidentiality Agreements with the Life Science Organizations, GIPSA has developed the capability to identify all of the biotechnology-derived corn and soybeans that have been commercialized. GIPSA is working very closely with all biotechnology organizations to obtain methods as new biotechnology grains are introduced. GIPSA uses this information to implement its Proficiency Program for improving outside laboratory abilities to analyze and detect biotechnology-derived grains.

ANTI-COMPETITIVE PROVISIONS OF THE P&SA

Mr. Bonilla: How much is GIPSA currently spending on enforcement of anti-competitive provisions of the Packers and Stockyards Act? What other provisions of the P&S Act need improvement? How much of the $1,000,000 increase will go toward improvement of anti-competitive provisions versus other provisions?

Response: GIPSA estimates that it will spend at least $3,574,600 to enforce anti-competitive provisions of the Packers and Stockyards Act this fiscal year.

The Department of Agriculture (USDA) supports amending the Packers and Stockyards Act to provide the Secretary of Agriculture with administrative authority over live poultry dealers that violate section 202 of the P&S Act. Currently, enforcement of section 202 against live poultry dealers is only available through USDA's referral of the case to the Department of Justice for trial in Federal court. The administrative authority would enable USDA to prosecute violations of section 202 by live poultry dealers in administrative proceedings. Moreover, instead of the current sanction of the issuance of a cease and desist order by the Federal court, sanctions in administrative enforcement would include the potential for both the issuance of cease and desist orders and civil penalties. In addition, USDA supports expanding the authority in section 408 of the P&S Act to request temporary injunctions or restraining orders to include failure to pay for poultry care obtained under a poultry growing arrangement and expanding the jurisdiction of the P&S Act to include all poultry growing arrangements whether or not for slaughter.

In its September 2000 report to Congress, the General Accounting Office (GAO) recommended that attorneys be more actively involved in the investigative process for anti-competitive practice investigations. Congress also mandated that GIPSA fully implement the GAO's recommendations. The increase of $1,000,000 addresses the GAO recommendation by providing GIPSA an additional seven legal specialist staff years to improve enforcement of the anti-competitive and other provisions of the Act. Two legal specialists will be placed in each of the three regional offices, and one in headquarters' Office of Policy and Litigation Support. Investigation of anti-competitive matters is expected to account for most of the funds.

eGOVERNMENT INITIATIVES

Mr. Bonilla: Please provide for the record a summary of GIPSA's eGovernment initiatives within the Packers and Stockyards Administration. Would the entire $1,200,000 request go for contracting with outside sources?

Response: In FY 2000 the Packers and Stockyards program area conducted a successful eGovernment pilot project for the Packer Annual Report. This pilot included Web based forms, manual forms, and faxed forms as automated input into a database. Data requirements from the Packers has changed significantly since the beginning of the pilot project but we anticipate being able to use major portions of the pilot work in any new packer reporting systems.

Using the technology developed in the Packer Annual Report Pilot system, the Packers and Stockyards Program area is currently developing the Swine Contract Library. The additional capability for electronic signature will be incorporated in this system. We anticipate having this system in production shortly after the final rule is approved.

We anticipate that $1,000,000 of the amount would be used for outside contracting for analysis, design and programming efforts. The remaining amount would be for the purchase of design and developmental hardware/software for the project.

LIVE WEIGHT PURCHASES

Mr. Bonilla: Please provide for the Committee some useful data that would show the significant reduction in the numbers of livestock purchased based on live weight in recent years.

Response: The data are in the table below.

Live-weight purchases by class of livestock, reporting slaughter packers,

1980-99 reporting years

Year	Cattle		Calves		Hogs	Sheep & lambs		
	Head	Share of total slaughter	Head	Share of total slaughter	Head	Share of total slaughter	Head	Share of total slaughter
	Thous.	Pct.	Thous.	Pct.	Thous.	Pct.	Thous.	Pct.
1980	22,324	72.6	1,749	78.9	82,717	89.0	3,910	71.7
1981	23,228	72.4	1,876	82.7	75,123	87.5	4,420	81.1
1982	21,831	67.4	1,955	77.8	70,387	85.8	4,034	71.1
1983	21,685	64.7	1,931	75.8	67,253	85.4	4,248	70.7
1984	23,642	68.6	1,879	68.7	70,773	85.7	4,618	71.2
1985	23,978	70.0	1,857	65.8	67,333	83.7	3,761	63.2
1986	23,441	68.0	1,836	65.8	67,993	85.2	3,001	58.4
1987	23,858	69.5	1,507	59.3	67,046	86.5	3,103	64.1
1988	21,661	64.1	1,335	56.2	74,520	89.3	2,823	58.4
1989	20,435	63.5	1,034	49.8	73,162	87.9	3,145	61.5
1990	19,717	61.8	678	40.4	70,848	88.4	3,251	70.3
1991	20,674	65.7	432	41.9	71,081	85.5	3,016	56.0
1992	19,692	63.1	529	47.4	75,773	82.8	3,048	58.3
1993	19,121	60.4	467	44.7	66,723	74.8	2,823	58.6
1994	17,957	55.4	388	39.8	61,484	68.9	2,429	53.3
1995	18,086	53.5	633	49.2	52,318	57.1	2,354	54.0
1996	18,837	52.7	607	43.8	40,338	48.3	1,801	48.2
1997	18,413	52.5	734	59.5	32,821	37.4	1,773	56.3
1998	19,049	55.9	656	56.6	27,415	29.9	1,899	57.9
1999	17,543	50.5	504	47.5	24,943	25.4	1,518	47.7

CARCASS MERIT PURCHASING TECHNOLOGIES

Mr. Bonilla: Please tell the Committee how you are able to evaluate the pace at which carcass merit purchasing technologies are changing. How does that represent an accelerating pace?

Response: GIPSA conducts on-site procurement compliance investigations at livestock slaughtering plants on a regular basis with emphasis on monitoring the plants' carcass grading systems. Major hog slaughters and many smaller volume firms use carcass grading systems extensively. GIPSA makes every effort to conduct investigations at these slaughtering plants on a six-month to yearly basis. Additionally, GIPSA maintains contact with manufacturers of electronic evaluating systems, reviews trade publications and agricultural economic papers regularly to determine if any new technology is being incorporated into packer procurement programs.

An increase of $1,000,000 is included in the President's budget to better monitor use of carcass merit purchasing technologies.

In the 1980s two hog slaughters were among the first to use objective carcass merit buying programs. Carcass value pricing caught on quickly among other hog slaughters. According to an industry article, in 1990, 25 percent of all hogs were purchased by carcass value pricing. By 1993, 75 percent of all hogs were purchased under a carcass merit system. Today, major hog slaughters are replacing carcass grading systems that have been in use 2-3 years with new technology or replacing the formulas used in their system. This occurs when packers believe the new technology or formula changes better identifies the products their customers' demand. These changes are occurring more quickly today than in the past.

Through our contact with the industry, GIPSA is aware that beef slaughters are developing electronic systems to better identify desired carcass characteristics. GIPSA anticipates electronic carcass characteristic measuring systems will also be developed for the lamb and poultry industries. It is our understanding that electronic poultry carcass characteristic measuring systems are already being used in Europe.

MEASURES OF CARCASS QUALITY

Mr. Bonilla: Please provide some examples of some internally assigned measures of carcass quality using modern and complex technologies and how those contrast with weight and grade measures used in the past? Does the GIPSA have any data that shows that producers have been treated to unfair or unjust discriminatory practices?

Response: Initially, carcass evaluation dealt strictly with weight and maybe a subjective visual assessment regarding fat and lean. Today, packers have systems that are very sophisticated with multi-tasking networks that can process up to 2,200 measurements in three seconds, thereby keeping up with the chain speeds in today's packing plants, which slaughter up to 1,100 hogs per hour.

Today's systems include: 1) the low-tech ruler used to measure the depth of fat at the midline split of the carcass; 2) Optical probes, use light diffraction to measure the depth of fat and lean in the loin; 3) Ultrasound, uses a sound signal applied to the meat sample and the bounced back signal is read; 4) Autofom, uses 16 transducers arranged on a saddle to measure the carcass every ½ inch as the carcass is pulled through the hardware and TOBEC (Total Body Electrical Conductivity) contains a magnetic field that measures the ions to calculate water content.

Standardized procedures have not been developed for these measuring systems. Thus, a given hog may not yield the same carcass quality characteristics using the different measuring systems at different packers.

GIPSA is investigating the application of these measuring devices. One case currently in litigation is Excel Corporation, P&S Docket No. D99-0010. In a complaint filed in April, 1999, Excel was alleged to have violated the Act by underpaying more than 1,250 farmers about $1.8 million when it changed the method of calculating lean percent of hogs bought on a carcass merit basis. In a decision issued in February 2002, the administrative law judge found that Excel had

violated the Act, but failed to assess any penalty for the violations. The Excel decision is under appeal.

PROPOSED LEGISLATION

Mr. Bonilla: Your testimony indicates that legislation will be submitted to recover $34 million more in user fees to recover the cost of new license fees in the Packers and Stockyards Administration, additional license fees for facilities regulated under the Animal Welfare Act, and additional grain inspection fees for grain standards. Obviously, we in Congress would need time to review the proposal, hold hearings, pass legislation in both bodies, and conference a bill before it could be signed into law. Has this legislation been drafted and when does the Administration plan on submitting this legislation to the Congress?

Response: The legislation for both the new license fees in the Packers and Stockyards Program and the additional grain inspection fees for grain standards has been drafted and is in the clearance process at USDA and OMB. The legislation will be submitted to Congress by the Administration as soon as the clearance process is finalized.

A draft bill to authorize the Secretary of Agriculture to prescribe, adjust, and collect fees to cover the costs for activities related to the review and maintenance of licenses and registrations under the Animal Welfare Act was submitted to the Congress on July 9, 2001.

Questions Submitted by Ms. Kaptur

FY 2003 Budget

Grain Inspection, Packers and Stockyards Administration

ANTI-COMPETITIVE PRACTICES

Ms. Kaptur: I am most interested in GIPSA's observations of anti-competitive practices in the livestock and poultry market place. I know that GIPSA's authority in this regarding is greater in livestock than it is in poultry, and I do appreciate, Under Secretary Hawks, the Department's support of my bill, HR 231, to provide you with administrative authority to investigate live poultry dealers, which is cosponsored by both Mrs. Emerson and Mr. Hinchey. Could you take some time to describe for us what you are finding in the poultry industry? I hear terrible stories of producers who have been given bad feed and bad flocks in retaliation for their simply trying to protect their own economic interests and reputations.

Response: The results of GIPSA tests and investigations of poultry weighing issues show similar results to those found in the livestock industry. The prompt payment statutes differ for the two industries but compliance with the applicable statute is better in the poultry industry than in the livestock industry. Areas where the poultry industry differs the most from the livestock industry is in the number of complaints GIPSA receives from poultry growers regarding equipment/poultry house upgrades, grower terminations, feed weight, feed quality and chick quality. GIPSA has investigated many complaints involving feed and chick quality and allegations of retaliation. GIPSA has found from time to time that growers have received poor quality feed or chicks but GIPSA has not found proof that poor quality feed or chicks were provided to a specific grower to retaliate against the grower.

Ms. Kaptur: Please provide us with a description of the things you can do with a complaint about bad practices in the livestock industry that you cannot do in the poultry industry.

Response: The differences involve how cases are handled when violations are found that warrant formal action. In the livestock industry, most violations of the Packers and Stockyards Act (P&S Act) involving competition, trade practices and payment can be handled administratively. Cases involving failure to register, failure to file annual and special reports, violations of Order of the Secretary, subpoena enforcement, and violations of section 10 of the Federal Trade Commission Act are handled by the Department of Justice. In the poultry industry, most violations of the P&S Act warranting formal action must be handled by the Department of Justice. Payment violations involving cash poultry sales and violations under the poultry trust statute can be handled administratively. Payment violations involving credit poultry sales must be handled by the Department of Justice.

Ms. Kaptur: If you were to review the complaints you received in the past year regarding practices in the poultry industry, how many complaints were you unable to pursue because of the lack of this authority?

Response: None. GIPSA has authority under the P&S Act to conduct investigations to determine if it has jurisdiction over the operations of a live poultry dealer. The P&S Act provides authority to investigate a live poultry dealer to determine if it is in compliance with the provisions of the P&S Act. However, the lack of administrative authority delays the resolution of formal action when violations of the P&S Act are disclosed by investigation.

Ms. Kaptur: Two years ago the GIPSA Administrator, Mr. Baker, told us about structural changes in the industry regarding contracting practices that were making it more difficult for small and medium sized producers. How are you able to respond to these changes in the industry?

Response: By virtue of their size, small and medium sized producers may be at a disadvantage in adapting to changing contracting practices. However, GIPSA administration of the Packers and Stockyards Act of 1921 as amended, ensures the integrity of livestock, meat and poultry markets. Thus, GIPSA aggressively investigates allegations that any contracting practice is anticompetitive, deceptive or unduly discriminatory.

Small and medium sized producers are more likely to be subject to anticompetitive uses of contracting practices. Therefore, the benefits of enforcement of the anticompetitive provisions of the Act are likely to accrue to small and medium sized producers.

In addition, small and medium sized producers are not likely to be able to dictate the terms of contracting practices and are more likely to have less information with which to evaluate contracting practices that may be deceptive or unduly discriminatory. By acting against deceptive or unduly discriminatory contracting practices, GIPSA's enforcement activities can put small and medium sized producers on a more equal footing and help them determine whether contracting practices are to their benefit. GIPSA also has an active outreach program that provides producers with information on contracting arrangements and related issues. We believe this outreach program is of special benefit to small and medium sized producers who may be at a comparative disadvantage in obtaining information on their own.

PACKERS & STOCKYARDS ACT v. PERISHABLE AGRICULTURAL COMMODITIES ACT

Ms. Kaptur: Could you provide for the record a chart that compares your authorities under the Packers and Stockyards Act with those available under the Perishable Agricultural Commodities Act? I think it would be beneficial to see how abilities differ or are similar on the livestock side versus the commodities side of the Department.

Response: GIPSA does not administer the Perishable Agricultural Commodities Act (PACA) and so has limited familiarity with that Act. We are working with the Trade Practices

Division of the Office of the General Counsel for USDA, who works with both PACA and the Packers and Stockyards Act to create a chart which compares the two acts. We will furnish the chart as soon as it is completed.

COMPARISON OF INTERNATIONAL STANDARDS

Ms. Kaptur: You say that U.S. trading partners have established new regulatory requirements on grains and oilseeds. What are these requirements, and how do they compare with our own requirements?

Response: Different countries continually establish new regulations and review or update existing ones. Such actions may be in response to new or perceived human or animal heath concerns; phytosanitary concerns; or for environmental reasons. For example, in recent years several countries have promulgated regulations relating to approval and/or labeling of products derived through modern biotechnology.

Members of the World Trade Organization (WTO), including the United States, are required to adhere to requirements of the WTO Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) agreements. These agreements require members to base regulatory decisions on sound, risk-based science, and to provide timely notice before implementing changes.

USDA and other appropriate agencies of the U.S. Government monitor new regulatory actions taken by other countries to verify compliance with WTO provisions.

Ms. Kaptur: Are these countries being tougher on the importation of our goods than we are on the importation of theirs?

Response: Some countries complain that U.S: regulations are too restrictive for their products to enter the United States. On the other hand, the United States can cite numerous examples of overly restrictive import regulations. GIPSA has been working closely with the State Department, Office of the U.S. Trade Representative, and USDA's Foreign Agricultural Service in recent months to contest China's new regulations regarding the importation of commodities derived through modern biotechnology.

The United States must base regulatory import decisions on defensible, risk-based science, and we demand that our trading partners do the same.

RAPID TEST PERFORMANCE EVALUATION PROGRAM

Ms. Kaptur: In the development of rapid tests to detect commercially produced biotechnology events in grains and oilseeds, how much has GIPSA worked with either USDA or university researchers to develop and evaluate these protocols?

Response: At the Technical Center in Kansas City, MO, GIPSA has a professional scientific staff with technical qualifications and experience in evaluating the performance of

rapid tests. More than twelve years ago GIPSA developed criteria to evaluate the performance of rapid tests to detect aflatoxins in grains and oilseeds, and since that time has developed performance criteria for other mycotoxins, including deoxynivalenol and fumonisins. Using a similar approach, GIPSA developed performance criteria for rapid tests to detect biotechnology events in grains and oilseeds. GIPSA does work with other organizations such as the National Institute of Standards and Technology (NIST) to develop performance criteria and evaluate rapid tests.

Ms. Kaptur: How dependable are these current tests?

Response: These tests have proven to be very reliable. As with any new technology, a number of issues were identified and resolved by GIPSA by working with the manufacturers and users of the tests. It is very important to understand the limitations of these tests, and GIPSA has met on a regular basis with many industry groups to make sure these limitations are clearly communicated.

Ms. Kaptur: Are they expensive, or are they readily affordable?

Response: These rapid tests are very reasonably priced. The average cost is less than $4 per test. Several manufacturers offer similar tests and the competition has significantly lowered the price for users. It is important to recognize that these tests are event specific; thus, increasing testing costs depending on the number of biotech events to be detected.

Ms. Kaptur: Given that you have the ability to test these substances, how do you label them afterwards?

Response: Currently, the only testing offered by GIPSA is for the analysis of StarLink™ corn, and as a qualitative test, the result is either negative or positive. A sample that is analyzed and found to be positive is certificated as containing StarLink™ corn.

GRAIN INSPECTION

Ms. Kaptur: You refer to registrations and accreditations of testing protocol. What do these "ISO" references mean, and how significant are these accreditations?

Response: ISO (International Standards Organization) standards are a set of internationally accepted standards for both quality management and quality assurance developed as a result of an increase in international trade and attention to quality issues. GIPSA's Technical Services Division chose to become ISO registered to increase the confidence and acceptance of the data from its laboratories for the international customers of U.S. grains and oilseeds. Further, the Biotechnology Laboratory and the Pesticide Data Program were selected to become accredited using higher ISO standards due to the critical nature of the customer's expectations of the analyses requested.

FOREIGN COMPLAINTS REGARDING U.S. GRAIN EXPORTS

Ms. Kaptur: You claim that there were 15 complaints regarding the quality of U.S. grain - an extremely small number given the volume of shipments. What was the nature of these complaints, and how were they resolved?

Response: The attached table showing, with updated data, 19 complaints, explains the nature of each complaint that GIPSA received in FY 2001. The complaints received represent 0.5 percent, by weight, of all U.S. grain exports – indeed, a small number. We attribute this low rate to the integrity and accuracy of GIPSA's inspection program, and to educational efforts undertaken over a period of years to educate buyer about grain quality and inspection issues.

When an importer reports a quality discrepancy, GIPSA reviews all pertinent documents and information regarding the shipment. We invite the importer to submit a sample drawn at destination for our review. We analyze information provided from the receiver and prepare a report of findings. The purpose of our review is to verify whether the original quality inspection and certification was in fact correct and to determine, insofar as possible, what factors may have contributed to a discrepancy in results at destination. In the vast majority of cases, our review process reaffirms original results.

Summary of Complaints Reported by Importers on Inspection and Weighing Fiscal Year 2001

Complainant	*Grain*	*Number of Complaints*	*Nature of Complaint*
Africa and Middle East			
Egypt	Soybeans	1	Foreign material, damaged kernels
	Wheat	1	Infestation
Mozambique	Wheat	1	Wheat of other classes
	Wheat	1	Heat-damaged kernels
Nigeria	Wheat	1	Foreign material, dockage, shrunken and broken kernels, total defects
	Wheat	1	Wheat of other classes, contrasting classes, protein
Asia			
China	Soybeans	1	Wet
	Wheat	1	Protein
Indonesia	Corn	1	Broken corn and foreign material
Philippines	Wheat	1	Infestation
Sri Lanka	Wheat	1	Dockage
	Wheat	1	Infestation
Europe			
Italy	Wheat	1	Short weight
Latin America			
Ecuador	Wheat	1	Total defects
Mexico	Soybeans	1	Heat-damaged kernels
	Wheat	1	Infestation
Nicaragua	Wheat	1	Dockage, foreign material, protein
Peru	Corn	1	Previous cargo
Venezuela	Corn	1	Heat-damaged kernels, damaged kernels, broken corn and foreign material
TOTAL		19	

USER FEES

Ms. Kaptur: Your budget proposes $28.8 million in user fees that would require legislation. At this point, have you been meeting with the authorizing committees and received any indication as to how they might respond to these proposals?

Response: GIPSA has not met with the authorizing committees. However, both proposals are consistent with the overall effort to shift funding responsibility for programs which benefit identifiable groups to those who use these programs and away from the general public.

[The justifications of the budget estimates follow:]

2003 Explanatory Notes
Grain Inspection, Packers and Stockyards Administration

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GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

Purpose Statement

The mission of the Grain Inspection, Packers and Stockyards Administration (GIPSA) is to facilitate the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products, and promote fair and competitive trading practices for the overall benefit of consumers and American agriculture. GIPSA works to accomplish this mission by administering and carrying out varied service and regulatory responsibilities. Approximately fifty percent of the funds needed to finance GIPSA activities are projected to be derived from user fees. The remaining activities are funded through appropriations.

GIPSA is comprised of two major activities: Grain Inspection and Packers and Stockyards.

GRAIN INSPECTION ACTIVITIES

The Grain Inspection program is comprised of four key activities: (1) Standardization, (2) Compliance, (3) Methods Development, and (4) Grain Inspection and Weighing Services.

1. Standardization:

   Standardization activities are carried out under authority of the United States Grain Standards Act, as amended (USGSA), and the Agricultural Marketing Act of 1946 (AMA), and are funded by appropriations. Standardization includes developing, establishing, and maintaining uniform grain and commodity standards; developing and maintaining quality control, and quality assurance; and, related testing and training. These activities aid in the orderly marketing of grains, oilseeds, rice, and related commodities through the development, promulgation, and application of new and revised standards. The latest inspection techniques and the operation of a nationwide quality control program are employed to ensure the integrity of inspection certificates.

2. Compliance:

   Compliance activities are funded by appropriations and are carried out under authority of the USGSA. These activities ensure that the operations conform with all requirements and procedures established by statute, regulation, instruction, or directive. Enforcement activities include reviews, evaluations, investigations and the assessment of civil penalties. Criminal violations are referred to the Office of the Inspector General for appropriate action.

   Compliance activities also include an international monitoring program which responds to our international customers' complaints regarding the quality and/or quantity of U.S. grain shipped abroad.

3. Methods Development:

   Methods Development activities are carried out under the authority of the

USGSA and the AMA. The activities include applied research or tests that produce new or improved techniques for measuring grain quality. These activities are funded through appropriations under the authority of the USGSA and AMA. Examples of the wide range of methods development activities carried out by GIPSA include research into establishing the framework for real-time grain inspection; developing reference methods to maintain consistency and standardization in the grain inspection system; comparing various techniques for evaluating end-use quality in wheat; developing a new wheat classification system; evaluating prototype wheat hardness meters; and adapting or developing measurement techniques for pesticides, mycotoxins, heavy metals, vitamins, and grain odor.

4. Grain Inspection and Weighing Activities:

This program is authorized under both the USGSA and the AMA. The USGSA requires the mandatory inspection and weighing of grain at export ports by GIPSA or delegated State agency personnel, and the permissive inspection and weighing of grain at domestic locations by designated State and private agency personnel. The USGSA also requires GIPSA to supervise all official inspection and weighing activities. On a request basis, GIPSA performs inspection of rice and related commodities under the AMA. Both statutes require GIPSA to collect user fees to fund the costs of operations including the supervision and administration of Federal grain inspection and weighing activities.

PACKERS AND STOCKYARDS ACTIVITIES

The Packers and Stockyards activities are authorized by the Packers and Stockyards Act of 1921, as amended, and Section 1324 of the Food Security Act of 1985. These activities are funded through appropriations. GIPSA's principal purpose is to ensure the integrity of the livestock, meat, and poultry markets and the marketplace. This includes fostering fair and open competition, and guarding against deceptive and fraudulent practices affecting the movement and price of meat animals and their products. The Agency's work also aims to protect consumers and members of the livestock, meat, and poultry industries from unfair business practices which can unduly affect meat and poultry distribution and prices.

The Food Security Act of 1985 permits the States to establish central filing systems to notify buyers, commission merchants, and selling agents of security interests against farm products. It is GIPSA's responsibility to issue regulations for and certify those systems that meet the criteria in the statute.

GIPSA headquarters is located in Washington, D.C. FGIS field activities are located in 12 field offices, 2 Federal/State offices, and 7 suboffices. P&S field activities are located in 3 field offices and resident agent positions in 31 locations across the nation. As of September 30, 2001, employment totaled 714 full-time permanent employees and 73 part-time or intermittent employees. Of the total, 121 full-time employees and 2 part-time or intermittent employees were located in headquarters while the remaining 593 full-time employees and 71 part-time or intermittent employees were assigned to field locations. User-fee supported activities accounted for 50 percent of total Agency spending in FY 2001.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

Available Funds and Staff-Years

2001 Actual and Estimated 2002 and 2003

Item	2001 Actual		2002 Estimated		2003 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Salaries and Expenses	$34,529,436	330	$36,196,000	355	$42,908,000	375
Inspection and Weighing	33,891,489	420	42,463,000	455	42,463,000	455
Total, Grain Inspection, Packers and Stockyards Administration . .	68,420,925	750	78,659,000	810	85,371,000	830

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

Permanent Positions by Grade and Staff-Year Summary

2001 and Estimated 2002 and 2003

Grade	2001			2002			2003		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
ES-6	1	--	1	1	--	1	1	--	1
ES-4	1	1	2	1	1	2	1	1	2
ES-1	1	--	1	1	--	1	1	--	1
GS-15	8	--	8	8	--	8	8	--	8
GS-14	16	7	23	16	7	23	16	7	23
GS-13	44	31	75	44	31	75	44	31	75
GS-12	22	67	89	22	67	89	26	77	103
GS-11	3	101	104	5	104	109	8	107	115
GS-10	2	23	25	2	23	25	2	23	25
GS-9	5	184	189	5	186	191	5	186	191
GS-8	5	1	6	5	1	6	5	1	6
GS-7	6	31	37	6	31	37	6	31	37
GS-6	10	96	106	10	96	106	10	96	106
GS-5	2	83	85	2	83	85	2	83	85
GS-4	1	41	42	1	41	42	1	41	42
GS-3	--	23	23	--	23	23	--	23	23
GS-2	--	3	3	--	3	3	--	3	3
Ungraded Positions	4	1	5	4	1	5	4	1	5
Total Permanent Positions	131	693	824	133	698	831	140	711	851
Unfilled Positions end-of-year	-10	-100	-110	-5	-45	-50	-5	-45	-50
Total, Permanent Employment, end-of-year	121	593	714	128	653	781	135	666	801
Staff-Years: Ceiling	129	621	750	131	679	810	133	697	830

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

Salaries and Expenses

CLASSIFICATION BY OBJECTS

2001 and Estimated 2002 and 2003

	2001	2002	2003
Personnel Compensation:			
Washington, DC	$4,678,825	$4,947,000	$5,336,000
Field	14,816,283	15,664,000	16,898,000
11 Total personnel compensation	19,495,108	20,611,000	22,234,000
12 Personnel benefits	6,194,118	6,460,000	6,984,000
13 Benefits for former pers	128,161	128,000	128,000
Total Personnel compensation & benefits	25,817,387	27,199,000	29,346,000
Other Objects:			
21 Travel	1,226,943	1,612,000	1,947,000
22 Transportation of things	113,674	114,000	119,000
23.1 Rental payments to GSA	1,364,000	1,418,000	1,418,000
23.2 Rental payments to others	75,240	75,000	75,000
23.3 Communications, utilities and misc. charges	602,269	602,000	627,000
24 Printing and reproduction	85,207	85,000	205,000
25.1 Consulting services	0	25,000	25,000
25.2 Other services	2,603,894	2,669,000	5,034,000
26 Supplies and materials	810,564	711,000	851,000
31 Equipment	1,549,985	1,686,000	3,261,000
Total other objects	8,431,776	8,997,000	13,562,000
Total direct obligations	34,249,163	36,196,000	42,908,000
Position Data:			
Average Salary, ES positions	$130,340	$135,000	$138,000
Average Salary, GS positions	$57,156	$59,000	$61,000
Average Grade, GS positions	12.3	12.3	12.3

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Salaries and Expenses

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, 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, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $25,000 for employment under 5 U.S.C. 3109, [$33,117,000] $42,908,000: 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.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES - CURRENT LAW

Appropriations Act, 2002		$33,117,000
Budget Estimate, 2003		42,908,000
Increase in Appropriation		+9,791,000
Adjustments in 2002:		
Appropriation Act, 2002	33,117,000	
Transfer in Estimates for Retirement/ Health Pension Benefits a/	+1,661,000	
Activities transferred from Rental Payments to GSA account b/	+1,418,000	
Adjusted Base for 2002		36,196,000
Budget Estimate, Current Law, 2003		42,908,000
Increase over adjusted 2002		+6,712,000

a/ Estimates for Retirement/Health Pension Benefits are included in the budgets of agencies as a one-time shift of funds. On a comparable basis the full annual cost of the activity is $1,744,000 for 2003.

b/ Rental Payments to GSA are included in the budgets of agencies occupying GSA space as a one-time shift of funds. On a comparable basis the full annual cost of the activity is $1,418,000 for 2003.

SALARIES AND EXPENSES - PROPOSED LEGISLATION

Budget Estimate, Current Law, 2003		42,908,000
Changes Due to Proposed Legislation:		
Proposed Standardization User Fees	- 5,568,000	
Proposed Packers & Stockyards License Fees	-23,280,000	
Total, Changes due to Proposed Legislation		-28,848,000
Net Request, President's 2003 Budget Request		14,060,000

SUMMARY OF INCREASES AND DECREASES
(On basis of adjusted appropriation)

Item of Change	2002 Estimated	Pay Costs	Program Changes	2003 Estimated
Standardization Activities	$4,200,000	+$82,000	+$1,286,000	$5,568,000
Compliance Activities	5,887,000	+115,000	+$250,000	6,252,000
Methods Development	6,786,000	+142,000	+$880,000	7,808,000
Packers and Stockyards	19,323,000	+394,000	+$3,563,000	23,280,000
Total Available	36,196,000	+733,000	+5,979,000	42,908,000

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

PROJECT STATEMENT
(On basis of appropriation)

Project	2001 Actual		2002 Estimated		Increase or Decrease	2003 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Standardization Activities	$4,125,170	43	$4,200,000	44	(1) +$1,368,000	$5,568,000	46
Compliance Activities	5,443,558	59	5,887,000	67	(2) +365,000	6,252,000	67
Methods Development	6,078,024	50	6,786,000	51	(3) +1,022,000	7,808,000	56
Packers and Stockyards	18,602,411	178	19,323,000	193	(4) +3,957,000	23,280,000	206
Unobligated balance	280,273	--	--	--	--	--	
Subtotal, Available or Estimate	34,529,436	330	36,196,000	355	+6,712,000	42,908,000	375
Rescission	+69,564		0				
Supplemental	-200,000 a/		0				
Transfer from Rental Payments to GSA	-1,364,000		-1,418,000				
Retirement/Health Pension Benefits	-1,615,000		-1,661,000				
TOTAL, APPROPRIATION	31,420,000	330	33,117,000				

a/ $200,000 for swine contract library.

JUSTIFICATION OF INCREASES AND DECREASES

(1) An increase of $1,368,000 in Standardization Activities ($4,200,000 available in 2002) consisting of:

(a) A total increase of $733,000 for pay costs which consists of $82,000 for standardization activities which includes $30,000 for annualization of the fiscal year 2002 pay raise and $52,000 for the anticipated fiscal year 2003 pay raise.

This increase will enable GIPSA to meet its objectives of facilitating the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products and promote fair and competitive trading practices for the overall benefit of consumers and American agriculture, consistent with the priorities established by the Secretary of Agriculture. This critically important increase is needed to support and maintain current staffing levels to meet the current and projected increased demand to ensure a fair, open, and competitive marketing environment for livestock, meat, and poultry; and to promote and protect the integrity of the domestic and global marketing of U.S. grain for the benefit of American agriculture. Approximately 70% of GIPSA's budget is in support of personnel compensation, leaving very little flexibility to absorb pay cost increases. Consequently, absorbing this increase may result in staff reductions, thereby adversely affecting the ability of GIPSA to carry out its mission.

(b) A total increase of $83,000 for a total need of $1,744,000 for Employee Pension and Annuitant Health Benefits which consists of $13,000 for standardization activities.

The Administration has proposed legislation to require agencies to pay the full share of accruing employee pensions and annuitant health benefits beginning in FY 2003.

(c) A total increase of $790,000 and 3 staff years will be needed to establish and maintain a Web server farm for the support of GIPSA's internet and intranet program offerings, of which $173,000 and 1 staff year are related to standardization activities.

The Agency will need to establish standard Web hardware, software, and facilities to implement the developing eGovernment electronic interfaces to the Federal Grain Inspection Program and Packers and Stockyards Programs. This will allow for a common Information Technology environment for the receipt and delivery of electronic data between the Agency and its customers, essential to efficiently conduct the Agency's programs. These capabilities will be closely integrated with the existing Information Technology architecture in GIPSA. The Web server farm composed of multiple, high performance servers must accommodate the transfer of very large amounts of data securely and transparently from customers and field locations to existing Agency computer systems. This Web farm must be developed to have the capability to fully implement a wide range of Web based interactive applications.

(d) A total increase of $565,000 and 2 staff years will be needed to meet the IT security requirements, of which $250,000 and 1 staff year are related to standardization activities.

In order to bring the Information Technology Systems security up to an acceptable level within the Grain Inspection, Packers and Stockyards Administration (GIPSA), the Agency's network infrastructure must be brought up to the standards as depicted in the USDA Enterprise Architecture. This will require the addition of network switches, routers, and the installation of local network cables. The Agency will need to upgrade about 30% of the existing desktop computers in order to support a more secure and current release of Microsoft's Windows operating system. Servers will be added in field offices to provide for data security, daily backups and catastrophic recovery capabilities. The Agency will be a full participant in the standardized USDA security scanning software effort.

(e) An increase of $850,000 to integrate existing disparate database information systems into a unified data warehouse with a common data dictionary.

The continuous improvement in the development of office automation and data collection systems [quality assurance/control, certification, Cu-Sum Plan, and ASSIST (Automated Sampling Inspection System Team)] is generating many sources of data and corresponding databases. There is a need to merge data from these systems for efficient oversight and management of the official grain inspection system. Further, there is also a continuous need to improve and update current computer programs used in the field to utilize state-of-the-art database techniques and Windows-based software.

The Agency does not have the necessary internal resources to achieve our two fundamental goals: (1) to design and implement a front-end management information system that would allow for the integration and analysis of data from diverse systems, and (2) to design, support, and maintain our custom-designed certification programs. Consequently, we propose to contract outside experts to develop a single database using information generated by many databases and to update and maintain our other custom-designed data intensive programs.

(2) An increase of $365,000 in Compliance Activities ($5,887,000 available in 2002) consisting of:

(a) A total increase of $733,000 for pay costs which consists of $115,000 for compliance activities which includes $43,000 for annualization of the fiscal year 2002 pay raise and $72,000 for the anticipated fiscal year 2003 pay raise.

(b) A total increase of $83,000 for a total need of $1,744,000 for Employee Pension and Annuitant Health Benefits which consists of $16,000 for compliance activities.

(c) A total increase of $41,000 for the Federal Employees' Compensation Act (FECA) program which consists of $33,000 for compliance activities.

The FY 2003 Budget will include language in the General Provisions of the Treasury-Postal Appropriations bill to permit the Department of Labor to add an administrative surcharge to the amount it charges each agency for its FECA benefits.

(d) A total increase of $790,000 and 3 staff years will be needed to establish and maintain a Web server farm for the support of GIPSA's internet and intranet program offerings, of which $166,000 is related to compliance activities.

(e) A total increase of $565,000 and 2 staff years will be needed to meet the IT security requirements, of which $35,000 is related to compliance activities.

(3) An increase of $1,022,000 in Methods Development ($6,786,000 available in 2002) consisting of:

(a) A total increase of $733,000 for pay costs which consists of $142,000 for methods development which includes $48,000 for annualization of the fiscal year 2002 pay raise and $94,000 for the anticipated fiscal year 2003 pay raise.

(b) A total increase of $83,000 for a total need of $1,744,000 for Employee Pension and Annuitant Health Benefits which consists of $17,000 for methods development.

(c) A total increase of $790,000 and 3 staff years will be needed to establish and maintain a Web server farm for the support of GIPSA's internet and intranet program offerings, of which $163,000 and 1 staff year are related to methods development.

(d) A total increase of $565,000 and 2 staff years will be needed to meet the IT security requirements, of which $250,000 and 1 staff year are related to methods development.

(e) An increase of $450,000 and 3 staff years for detection of new added value crops and biotechnology traits.

The introduction of new added value crops whether derived through modern biotechnology or conventional breeding will quickly out pace GIPSA's ability to evaluate testing methods and accredit laboratories. The ability to distinguish specific crops will be driven by added market value, customer demands, and the regulatory requirements of our trading partners. The proliferation of regulatory requirements around the world concerning biotechnology-derived crops, including the eventual implementation of the international Biosafety Protocol (estimated for late 2002), will place further demands on the grain industry to distinguish certain crops. The market demand to segregate higher valued crops will also place a greater need on being able to identify specific varieties or qualities of grain. The increased funds will enable GIPSA to expand its newly established biotechnology program to keep pace with the rapid introduction of new products. This will involve expanding the ability to validate rapid protein-based tests, keep pace with the rapid development of DNA-based methods, and develop reference methods for traditional end-use traits such as fatty acid profiles, amino acid profiles, phytate content, and other nutritional qualities.

(4) An increase of $3,957,000 for administration of the Packers and Stockyards Act ($19,323,000 available in 2002) consisting of:

(a) A total increase of $733,000 for pay costs which consists of $394,000 for Packers and Stockyards which includes $143,000 for annualization of the fiscal year 2002 pay raise and $251,000 for the anticipated fiscal year 2003 pay raise.

(b) A total increase of $83,000 for a total need of $1,744,000 for Employee Pension and Annuitant Health Benefits which consists of $37,000 for Packers and Stockyards.

(c) A total increase of $41,000 for the Federal Employees' Compensation Act (FECA) program which consists of $8,000 for Packers and Stockyards.

(d) An increase of $1,000,000 and 7 staff years to improve enforcement of the anti-competitive and other provisions of the Packers and Stockyards Act of 1921, as amended (the P&S Act), in the livestock, meat, and poultry industries.

In its investigation and subsequent September 2000 report to Congress, the General Accounting Office (GAO) recommended that attorneys be more actively involved in the investigative process for anti-competitive practice investigations. Congress later mandated that Grain Inspection, Packers and Stockyards Administration (GIPSA) fully implement the GAO's recommendations.

Packers and Stockyards Programs (P&SP), the program in GIPSA responsible for enforcing the Packers and Stockyards (P&S) Act, currently has positions for seven full-time legal specialists, all licensed attorneys, on staff. Two legal specialists are stationed in each of the three regional offices (with one position currently vacant), and a supervisory legal specialist is stationed in the Washington, D.C., headquarters office. These legal specialists:

- Develop legal theory for proposed investigation work plans,
- Provide legal advice to investigators during the course of every investigation conducted by P&SP -- last year 1,898 investigations were conducted.
- Participate in competition and other complex investigations of potential violations of the P&S Act,
- Draft and review proposed letters and other correspondence related to investigations and other matters,
- Draft subpoenas and subpoenas duces tecum,
- Review investigation reports prepared for submission to the Office of the General Counsel (OGC) in request of administrative, civil, or criminal legal action for alleged violations of the P&S Act by those subject to its authority, and
- Provide assistance to OGC as requested.

These activities relate to all aspects of P&SP's mission, including, but not limited to, investigations of competition, financial, and trade practices. The livestock, meat, and poultry industries were estimated

by the Department of Commerce, in FY 2000, to have an annual wholesale value of $142 billion.

The current staffing level remains insufficient to fully integrate attorneys to the extent recommended by the GAO into the more complex anti-competitive, financial, and trade practice investigations because the legal specialists on the current staff have more than a full workload. This increase in funding will provide P&SP:

- Ongoing funding to recruit, hire, train, and retain seven additional legal specialists (two in each of the three regional offices, and one in the Office of Policy and Litigation Support) with expertise in anti-competitive and contract law, and more particularly with developing and investigating potential cases alleging behavior in violation of the anti-competitive and trade practice provisions of the P&S Act, and

- Ongoing funding to support legal specialists traveling and participating in on-site investigations, preparing evidence required to prove violations of the P&S Act, serving as witnesses for P&SP and providing assistance to the OGC in formal hearings involving alleged violations of the P&S Act, and other activities necessary to fully integrate the legal specialists into improving enforcement of the anti-competitive provisions of the P&S Act in particular, and the P&S Act in general.

(e) A total increase of $790,000 and 3 staff years will be needed to establish and maintain a Web server farm for the support of GIPSA's internet and intranet program offerings, of which $288,000 and 1 staff year are related to Packers and Stockyards.

(f) A total increase of $565,000 and 2 staff years will be needed to meet the IT security requirements, of which $30,000 is related to Packers and Stockyards.

(g) A total of $1,200,000 for contract support for the development of Web applications for the Packers and Stockyards Programs.

To enable the timely implementation of eGovernment initiatives within the Packers and Stockyards Program, additional Information Technology developmental resources are required. Currently, the Packers and Stockyards Program does not have the web programmers or web designers that would allow it to rapidly and accurately deploy Web-based applications. To supplement the current information technology staff and to infuse new eGovernment technology into the program area, we are requesting contracting funds. These funds would be used to contract-out the design, development, implementation, and maintenance of important eGovernment Web initiatives. By contracting-out the P&SP would be able to rapidly receive electronic information from and provide information by electronic means to our stakeholders.

(h) An increase of $1,000,000 and 5 staff years to monitor the livestock and meatpacking industries' use of electronic carcass evaluation technologies.

Packers significantly reduced the numbers of livestock purchased based on live weight in recent years. Increasingly, in a stated effort to

better meet consumer demand and provide greater "value," packers began purchasing livestock through contract and marketing agreement or formula-priced transactions. In conjunction with this change in purchasing methods, packers explored and began using new means of automating the evaluation of cattle and hog carcasses based on new technologies, including among other methods, ultrasound and photographic imaging.

Although carcass merit purchasing has been used for decades in the livestock and meatpacking industries, the technologies and their applications for evaluating carcass merit are changing at an accelerating pace. Previously, carcass merit purchases were generally based on a carcass weight and often one or two grades assigned by USDA graders. Today, packers increasingly rely on internally assigned measures of carcass quality using modern and complex technologies.

The technologies now being implemented by packers have a direct effect in determining the prices paid to producers for livestock. These changes introduce new risks for producers, since these new technologies are not standardized and their accuracy is inconsistent. This lack of standardization and inconsistent accuracy leaves producers vulnerable to unfair and unjustly discriminatory practices by unscrupulous members of the meat packing industry. Therefore, P&SP needs to dramatically increase its monitoring and regulatory presence.

This increase in funding will provide GIPSA, and particularly P&SP:

- Ongoing funding to recruit, hire, train and retain personnel with expertise in the operation of these new electronic carcass evaluation technologies and the methods in which packers use them,

- Ongoing funding to monitor the livestock industry's use of these technologies,

- Ongoing funding to develop enforcement tools, investigation techniques and regulatory policies necessary to continue to effectively regulate the meat packing industry, and when appropriate, initiate enforcement action,

- Ongoing funding to educate and inform the meat packing industry about its responsibilities under the P&S Act with regard to these new technologies, and

- Ongoing funding to educate and inform livestock producers about how the electronic carcass evaluation technologies are used in the meat packing industry, and how the technologies are regulated by P&SP.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

Item of Change	Current Law	FY 2003 Program Changes	President's Request
Standardization Activities	$ 5,568,000	-$5,568,000	--
Compliance Activities	6,252,000	--	$6,252,000
Methods Development	7,808,000	--	7,808,000
Packers and Stockyards	23,280,000	-23,280,000	--
Total Available	42,908,000	-28,848,000	14,060,000

Explanation of Proposed Legislation:

Standardization Activities - The Grain Inspection, Packers and Stockyards Administration (GIPSA) develops, reviews, and maintains official U.S. grain standards used by the entire grain industry. This proposal would initiate user fees for this service.

The Grain Inspection, Packers and Stockyards Administration of the USDA develops, reviews, and maintains official U.S. grain standards that describe the grain characteristics in terms of physical, sanitary, and intrinsic value at the time of inspection. These standards provide a common language for use by producers, sellers, and buyers of U.S. grain.

Starting in FY 2003, GIPSA proposes to convert to user fee funding for the standardization program. Because these standards benefit and are used almost solely by the grain trading industry, and because they facilitate the orderly marketing of grain products, it is industry that should bear the costs.

Fees would be charged to those persons who benefit from such services such as persons who receive, ship, store, or process grain. Estimated costs to be recovered in FY 2003 would be $5.6 million. Paying for these services through user fees instead of appropriated funds would result in savings to the taxpayer.

License Fees - This proposal would amend the Packers and Stockyards Act (P&S Act) to provide authority to collect license fees to cover the cost of the program. Converting to license fees is consistent with the overall effort to shift funding for programs, which benefit identifiable groups, to user fees. The primary beneficiaries of the programs and activities administered under the provisions of the P&S Act are livestock producers and poultry growers. Consumers also benefit because they are protected from the adverse effects of anticompetitive and unfair business practices in meat and poultry marketing and distribution.

Currently, the law provides registration requirements for market agencies and dealers, but there is no authority for licensing fees. All packers, live poultry dealers, stockyard owners, market agencies and dealers, as defined in the P&S Act, would be required to have a valid license and be subject to the license fees. There are currently 6,241 market agencies and dealers registered that would be subject to the licensing requirements. The license could be suspended, which would have the same effect as the suspension of a registration under current law.

In addition, there are 1,525 stockyards, 6,000 slaughtering and processing packers, 205 poultry processors, and 6,800 meat distributors, brokers, and dealers subject to the P&S Act that would be subject to the licensing requirements, but would not be subject to having their license suspended. This would be consistent with current law which does not provide for registration of these operations which are not, therefore, subject to suspension.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2001 AND ESTIMATED 2002 AND 2003
SALARIES AND EXPENSES

	FY 2001		FY 2002		FY 2003	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Arkansas	$110,027	2	$115,000	2	$132,000	2
California	402,294	1	419,000	1	479,000	1
Colorado	4,178,255	49	4,351,000	50	5,203,000	53
District of Columbia	12,336,769	90	13,074,000	106	15,482,000	113
Georgia	3,822,018	44	3,981,000	46	4,779,000	49
Idaho	121,578	2	127,000	2	145,000	2
Iowa	3,676,372	48	3,829,000	50	4,680,000	54
Kansas	204,518	3	214,000	3	245,000	3
Louisiana	876,258	11	912,000	11	1,043,000	11
Maryland	300,201	4	312,000	4	357,000	4
Minnesota	437,005	6	455,000	6	521,000	6
Missouri	6,182,614	57	6,740,000	61	7,936,000	64
North Dakota	216,970	2	226,000	2	259,000	2
Ohio	269,167	4	280,000	4	320,000	4
Oregon	158,090	2	165,000	2	189,000	2
Texas	846,575	4	882,000	4	1,009,000	4
Washington	110,452	1	114,000	1	129,000	1
Subtotal, Available or Estimate	34,249,163	330	36,196,000	355	42,908,000	375
Unobligated Balance	280,273	--	--	--	--	--
Total, Available or Estimate	34,529,436	330	36,196,000	355	42,908,000	375

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

STATUS OF PROGRAM

FEDERAL GRAIN INSPECTION SERVICE

Current activities, examples of recent programs, and programs for standardization and quality assurance activities, compliance activities and methods development are outlined below:

STANDARDIZATION AND QUALITY ASSURANCE ACTIVITIES

Goal 2: Facilitate the marketing of U.S. grain for the benefit of American agriculture.

Objective: 2.2 - Promote a standardized framework for trade in the U.S. grain marketing system.

Current Activities: The Agency compiles data for developing new and updating existing grading standards, and evaluates new methodology and equipment for determining grain classification and quality. The Agency provides reference standards for official grading procedures.

Selected Examples of Recent Progress:

1. U.S. Standards for Sorghum. GIPSA plans to prepare a proposal to solicit comments on amending the sorghum standards to redefine damage to measure only damaged sorghum and not include other damaged grains which are considered foreign material. The proposed action would simplify the sorghum classification scheme and facilitate the marketing of U.S. sorghum.

2. U.S. Standards for Wheat. GIPSA is taking several actions related to the wheat standards. First, GIPSA plans to prepare an advance notice of proposed rulemaking to solicit comments and ideas on how the wheat standards could be changed to encourage the production and delivery of cleaner (lower dockage) wheat. GIPSA also plans to propose limits for garlic in wheat and changes to promote the production of Hard White wheat.

3. Quality Assurance/Quality Control and Oversight Study. At the direction of GIPSA's Grain Inspection Advisory Committee, the Agency initiated a study to assess the performance of its internal quality assurance and control processes to determine whether organizational or technological changes could improve the efficiency and cost effectiveness of the process. The study includes a thorough review of current practices, organizational structure, and technology used to ensure inspection uniformity nationwide. Dr. John Surak, Clemson University, an authority in quality systems, is conducting the study.

4. ISO Registration of Analytical Processes. The International Organization of Standardization (ISO) represents the national standards institutes and organizations of 97 countries worldwide, including the American National Standards Institute (ANSI). The ISO standards have been endorsed by the American Society of Quality, the European Standards Institute, and the Japanese Industrial Standards Committee and are becoming the *de facto* standard across industries throughout the world. GIPSA provides analytical services to the grain industry, both domestic and foreign, and it is very important that GIPSA maintain credibility as a provider of quality analytical services.

   In FY 2001, GIPSA expanded the scope of their ISO registrations to include additional laboratories at its Technical Center in Kansas City, Missouri. In addition to maintaining existing

ISO registration for the Protein Reference and Moisture Reference Laboratories, the following laboratories and programs were added in FY 2001 - the Oil Extraction Reference, Mycotoxin Reference, Mycotoxin Test Kit Evaluation, and Pesticide Data Program Laboratories. In FY 2002, GIPSA will update their ISO program to the newest ISO 9001:2000 standard and add registrations for the Pesticide Analysis Service, Heavy Metals, and Equipment Checktesting Laboratories.

In FY 2001, GIPSA acquired the necessary equipment to produce the next generation visual reference aids. GIPSA will begin converting from 35mm slides to digital color prints in FY 2002. The digital color print program will be more efficient, manageable, and affordable and will provide more consistency within the official inspection system.

In FY 2003, GIPSA anticipates a complete transition to the new system.

5. New Official Moisture Meter. In FY 2001, GIPSA developed and implemented official calibrations for Blackeye beans, Cranberry beans, Kidney beans, Baby lima beans, Large lima beans, and seven processed rice commodities. GIPSA also developed and implemented improved calibrations for Long Grain Rough rice and sorghum. A total of 41 calibrations have now been implemented for the new official moisture meter, including 15 calibrations for the major grains and 26 calibrations for minor commodities. Twenty additional calibrations need to be developed to complete the conversion to the new official moisture meter. Since annual production is a primary consideration in establishing priorities for calibration updates, the remaining commodities are not widely produced and it is extremely difficult to obtain the samples needed for calibration development. It is anticipated that two to three years will be required to complete calibration data collection and implementation for the last 20 minor commodities. In FY 2002, GIPSA will monitor performance of calibrations for the 15 major grains and collect calibration data for 16 of the 20 minor commodities needing new calibrations.

6. NIRT Standardization. In FY 2001, GIPSA again cooperated with groups from Canada, Australia, and several European countries in the on-going development and evaluation of a global artificial neural network (ANN) near-infrared transmittance (NIRT) calibration for wheat and barley protein. GIPSA conducted field testing to compare wheat protein values obtained using current, individual wheat class calibrations and the global all-class ANN calibration. Average differences in wheat protein determinations varied depending upon the wheat class being examined. In FY 2002, GIPSA plans to modify standardization of field instruments to reduce average differences between the two calibration approaches. A second field study will then be implemented to investigate sample-by-sample differences between the calibrations and to better assess regional market impact of implementing the new calibration.

In FY 2001, GIPSA implemented new NIRT calibrations for corn protein and oil and soybean protein and oil to improve agreement with chemical reference methods and better represent new corn and soybean varieties.

7. Pulsed NMR for Sunflower Oil Measurements. In FY 2001, a new procedure was developed for use with the MQA 6005 pulsed-NMR that allows the measurement of sunflower seed oil without first having to oven dry the sample. The new method is applicable to samples with moisture contents between 4.5 and 10.5 percent and greatly reduces analysis time for samples in that moisture range. A pilot study was initiated to evaluate the new procedure under field conditions. Research conducted in FY 2001 indicates that an alternate measurement procedure based upon the ISO 10565 standard also provides accurate results for samples with moisture contents of 10 percent or less. In FY 2002, both measurement procedures will be evaluated in an attempt to extend the use of the pulsed-NMR to sunflower seed samples with moisture contents as high as 16 percent.

8. Standardizing Commercial Grain Inspection Equipment. In FY 2001, GIPSA participated in an on-going cooperative effort among GIPSA, National Conference on Weights and Measures (NCWM), Inc., and the National Institute for Standards and Technology (NIST) to standardize commercial inspection equipment. GIPSA served as the sole evaluation laboratory for grain inspection equipment under the NCWM, Inc.'s, National Type Evaluation Program (NTEP). GIPSA collected grain moisture meter calibration data for six instrument models. NTEP data were evaluated using new calibration coefficients for one commercial meter to extend allowed operating temperature ranges.

   In FY 2002, GIPSA will continue NTEP testing activities in support of the commercial grain moisture meter program. GIPSA will continue to provide technical support in the development of NTEP programs for near-infrared analyzers used to determine constituents other than moisture content and for commercial test weight equipment.

9. Biotechnology Reference Facility. Scientists are developing new varieties of grains that are more productive, adapted to specific growing climates, resistant to insults (drought, frost, high salinity, insects, pathogens, etc.), and designed for specific end uses. These new varieties are being developed through both traditional and non-traditional (genetic manipulation) breeding programs. Concerns have been expressed with many countries developing regulations to specifically address biotechnology-derived grains and oil seeds. To help the grain industry comply with regulations and manage risks, private manufacturers have developed rapid tests to detect the proteins that are produced in biotechnology-derived grains. In September 2000, StarLink™ corn, a biotechnology-derived corn approved only for animal feed in the U.S., was found in foods intended for human consumption. As a result, GIPSA quickly developed and implemented a Rapid Test Performance Evaluation Program in October 2000 to evaluate the performance of rapid tests for the Cry9C protein produced in StarLink™ corn. GIPSA's quick response provided the grain industry with performance-verified tests to detect the presence of StarLink™ corn and enabled the grain industry to more effectively comply with U.S. regulations and manage risks. In FY 2001, the following activities were completed:

- The Biotechnology Reference Facility was fully staffed.
- Nine rapid tests for StarLink™ corn were performance verified.
- The GIPSA Biotechnology web page was established. This web page included information on sampling, testing for StarLink™ corn, the Rapid Test Performance Evaluation Program, a listing of performance verified rapid tests, and links to other sources of information related to biotechnology.

   In FY 2002, GIPSA will expand the Rapid Test Performance Verification Program to include tests for other biotechnology-derived grains and oil seeds and implement a Proficiency Program to improve the reliability of DNA-based testing services in the U.S. GIPSA's Proficiency Program will provide an opportunity for U.S. laboratories to assess their capabilities, identify problem areas, and take appropriate corrective actions. The laboratories will be challenged to test for the presence of all commercial biotechnology-derived grains in the U.S. and receive a report that summarizes their individual performance and their performance relative to other participants in the program. With approval of the participating laboratory, GIPSA will include the name of the laboratory and its performance in the Proficiency Program on GIPSA's Biotechnology web page.

10. Educational Materials. In FY 2001, GIPSA began offering to the U.S. grain industry educational materials created for the official grain system. These materials included printed handouts on grain sampling and corn, wheat, soybean, sorghum, and rice inspection. Multimedia CDs were also produced on testing corn for StarLink™, an overview of the official inspection system, and tutorials on corn, wheat, and soybean grading. Over 3,000 of these CDs were distributed and demand continues to grow. In FY 2002, we will make additional titles available to the industry.

COMPLIANCE ACTIVITIES

Goal 2: Facilitate the marketing of U.S. grain for the benefit of American agriculture.

Objective: 2.4 - Protect the integrity of U.S. grain marketing fot the U.S. grain trade.

Current Activities: The compliance program is designed to ensure the accurate and uniform application of the USGSA and applicable provisions of the AMA. The compliance program functions include: (1) evaluating alleged violations, initiating preliminary investigations, and initiating enforcement/administrative actions for violations; (2) conducting technical reviews of FGIS' operations and monitoring appropriate corrective action; (3) administering the program for delegating State agencies and designating State and private agencies to perform official functions and monitoring their performance; (4) establishing cooperative or reimbursable agreements with States under the AMA to provide miscellaneous processed commodity, graded commodity, or rice services; (5) identifying, monitoring, and exempting, where appropriate, official agency and licensee conflicts of interest; (6) licensing personnel of delegated States and designated agencies; (7) registering persons/firms engaged in buying grain for sale in foreign commerce and engaged in handling, weighing, and transporting of grain for sale in foreign commerce; and (8) maintaining an international affairs program which interacts with foreign governments and trade teams to exchange information and respond to complaints concerning quality and quantity grain shipments.

Selected Examples of Recent Progress:

1. Compliance Reviews. Compliance reviews are independent third-party reviews of GIPSA field offices and official agencies (State and private agencies). During FY 2001, GIPSA personnel conducted compliance reviews of 3 GIPSA field offices, 4 GIPSA suboffices, and 21 official agencies. Teams of reviewers evaluated customer satisfaction (including potential service delivery discrimination), management effectiveness and efficiency, and procedural compliance. During the reviews, GIPSA found no instances of service delivery discrimination. However, GIPSA did find procedural noncompliance items within the national inspection and weighing system. All identified non-compliances were subsequently corrected. None of the findings affected the overall integrity of GIPSA's mission or programs, or the national inspection system. Overall, field offices and official agencies are performing satisfactorily, thus meeting GIPSA's mission.

2. Conflicts of Interest. At the beginning of FY 2001, there were three designated official agencies operating with discretionary conflict-of-interest waivers. All three agencies remain designated with conflict waivers.

3. Delegation and Designation Programs. There are 59 official agencies that are designated under the U.S. Grain Standards Act, as amended, to provide permissive official inspection and/or weighing services at domestic locations. Of these, eight are States, which also are delegated to provide mandatory official inspection and weighing services at export locations. Delegations are permanent unless GIPSA or the State decides to terminate the agreement.

   Under the triennial renewal process, 20 official agency designations automatically terminated in FY 2001. GIPSA renewed all 20 for full 3-year terms after reviewing their performance. No official agency designations were cancelled during FY 2001.

4. Alleged Violations. At the beginning of FY 2001, 15 cases involving alleged violations of the USGSA and the AMA were pending further action. During FY 2001, GIPSA personnel opened six cases involving alleged violations and closed 15 cases, leaving six cases pending. Examples of alleged violations included: false weighing, deceptive loading and grain handling practices, exporting without official inspection and weights, issuing false official certificates, performing official duties improperly, and employee misconduct.

GIPSA took administrative action in 10 of the 15 cases closed during FY 2001. These included informational letters to 3 firms and 1 official agency, warning letters to 4 firms, and civil monetary penalties against 2 firms. The other 5 cases were closed due to insufficient evidence. Also, during FY 2001, the Office of the Inspector General, USDA, and the Justice Department continued to pursue criminal action in an investigation involving false certification and weights of grain and false weight certification. The Grand Jury issued indictments to several individuals involved in this matter on various felony counts. In addition, one other subject entered a Pretrial Diversion Agreement with the U.S. attorney. The case remains open in the courts.

5. Registration. During calendar year 2001, GIPSA issued 76 Certificates of Registration to individuals and firms involved in foreign commerce grain business.

6. Agricultural Marketing Act of 1946 (AMA) Cooperative Agreements. Under the AMA, GIPSA administers and oversees inspection and standardization activities related to rice, pulses, lentils; and processed grain products. Inspection services are performed for a fee by GIPSA employees, individual contractors, or through cooperative agreements between GIPSA and State Departments of Agriculture or private official agencies.

GIPSA enters a cooperative agreement when it determines that a State or private agency is better able to perform some inspection services, at certain locations, more effectively or at less cost than if GIPSA performed those services.

During FY 2001, GIPSA had cooperative agreements with 19 State/private agencies. Under direct supervision of a State or official agency manager, federally licensed employees perform federal inspection and related services. GIPSA provides general oversight and monitoring of the inspection activities.

International Affairs

GIPSA's International Affairs program includes: (1) investigating discrepancies reported by importing countries on the quality or weight of U.S. grains, oilseeds, and related products certified by GIPSA at the time of export; (2) working with other agencies of USDA and the U.S. Government, to address disruptions in grain trade concerning the quality, sanitary, or phytosanitary attributes of export shipments as they relate to the importer's contractual specifications, or the laws and regulations of the importing country; (3) conducting collaborative studies, sample exchanges, and monitoring activities with importers to address persistent or recurring discrepancies; (4) coordinating and conducting domestic sample surveys to collect market information about the quality of U.S. grain exports; and (5) developing and conducting educational programs for public and private sector audiences in importing countries to explain the U.S. grain marketing system and our role in international grain commerce, as well as official U.S. quality standards and grain/oilseed/commodity inspection procedures.

In FY 2001, GIPSA received 18 quality and 1 quantity complaints from importers on grains inspected under the U.S. Grain Standards Act, as amended. Complaints in FY 2001 involved approximately 579,665 metric tons, or about 0.5 percent by weight, of the total amount of grain exported during the year. The 13 quality and 0 quantity complaints GIPSA received in FY 2000, represented approximately 0.3 percent of grain exports by weight.

In 2001, GIPSA representatives met with 75 teams from 32 countries to explain the role of the Agency in the U.S. grain marketing system, our national inspection and weighing system, U.S. grain standards, and GIPSA's mission. Briefings were tailored to address each group's interests and concerns.

METHODS DEVELOPMENT

Goal 2: Facilitate the marketing of U.S. grain for the benefit of American agriculture.

Objective: 2.4 - Increase the efficiency of U.S. grain marketing.

Current Activities: The Agency conducts applied research while fulfilling its mandate to administer the Nation's grain inspection and weighing system. Identifying, evaluating, and implementing new or improved techniques for measuring grain quality are the goals of the methods development activities.

Selected Examples of Recent Progress:

1. Type Evaluation of Mycotoxin Test Kits and Adoption of Reference Methods. Mycotoxins are toxic substances produced by a variety of molds and fungi. The Agency has been asked by farmers, grain dealers, and foreign buyers to quantitatively measure the level of mycotoxins in various grains. Using an evaluation protocol developed by the Agency, mycotoxin test kits for aflatoxin, deoxynivalenol (DON), and fumonisin have been evaluated and approved for use in the Official Inspection System. The Agency-approved instruments and specifications are generally adopted by the grain industry and, under a memorandum of understanding, the Agency performance specifications are used by the Association of Official Analytical Chemists (AOAC) Research Institute to verify the performance of mycotoxin test kits submitted to the Institute for evaluation.

   Use of test kits by the Official Inspection System has enabled the Agency to provide analytical results rapidly and reduce the resources required to conduct the analyses. Through a routine monitoring program, the analytical capability of each mycotoxin test site is assessed on a regular basis. Naturally contaminated grain samples, previously analyzed using reference methods, are submitted for analysis to each mycotoxin test site. The results obtained are compared to actual levels of the particular mycotoxin and appropriate action is taken when discrepancies are observed.

   In FY 2001, GIPSA developed and validated a zearalenone reference method. This method will enable GIPSA to initiate the evaluation of zearalenone test kits for use in the Official Inspection System. During the year, GIPSA evaluated and approved two DON and two fumonisin test kits. GIPSA evaluated and rejected two fumonisin test kits and initiated the evaluation of one additional fumonisin and two aflatoxin test kits. In FY 2002, GIPSA will request the submission of zearalenone test kits and continue to evaluate all submitted mycotoxin test kits for the Official Inspection System.

2. Pesticide Residue Analytical Methods Development and Testing. GIPSA continued to participate in the Pesticide Data Program, a cooperative effort of the USDA, U.S. Environmental Protection Agency, and ten participating States to monitor pesticide residue levels in fruits, vegetables, grain, and milk. GIPSA tests all grain and grain-related products and develops new methods of analysis when necessary.

   In FY 2001, GIPSA developed and validated two new methods for rice and analyzed about 740 rice samples and 328 peanut butter samples. In FY 2002, GIPSA will develop and validate two new methods for barley and analyze about 740 barley and 740 rice samples.

3. Sprout Damage. Pre-harvest sprouting of wheat is of significant concern to the grain industry. Alpha-amylase is an enzyme that is produced as seeds begin the process of sprouting. In crops such as Soft Red Winter wheat, high levels of this enzyme will decrease the quality of the products of soft wheat flour. Current methods, for example the falling number technique and

visual examination of the grain for sprouting, indirectly assess the presence of the enzyme alpha-amylase.

In FY 2000, GIPSA developed performance standards to evaluate rapid tests for sprouting. In FY 2001, no rapid test kits were commercially available for evaluation. In FY 2002, GIPSA does not plan to evaluate rapid test kits for sprouting unless kits become commercially available.

4. Digital Imaging. Digital imaging has great potential for improving the accuracy, consistency, objectivity, and speed of grain inspection and grading. Digital imaging is a process of recording images, e.g., of grain, in electronic digital format and then transferring the image to a computer for review and analysis. In FY 2001, GIPSA developed and approved GrainCheck 2312 Total Broken Kernels (TBK) calibrations for official inspection of Long Grain Milled, Long Grain Parboiled, and Short Grain Milled rice. Three instruments located in California and one instrument, with shared locations in Louisiana and Arkansas were used for official measurements of milled rice TBK. A monitoring program was established to check the long- and short-term measurement accuracy of field instruments. In FY 2002, a new GrainCheck 2312 will be procured for dedicated use in the monitoring program. GrainCheck technology will be used to develop additional rice inspection applications such as the measurement of TBK in Brown Rice.

GIPSA and the Agricultural Research Service (ARS) jointly researched the use of GrainCheck technology for measuring percent vitreous kernels in Durum wheat and Hard Red Spring wheat samples. ARS developed a Durum wheat calibration that provides results equal to or better than those achieved through visual determinations by official inspectors. In FY 2002, GIPSA, North Dakota State University, and ARS are planning to evaluate the GrainCheck Durum wheat calibration subclass determinations for a set of approximately 120 samples. GIPSA also plans to initiate a joint program with the Canadian Grain Commission (CGC) to investigate the use of flatbed scanner technology for imaging and differentiating white and red wheat kernels.

GIPSA will continue to explore opportunities for applying remote digital imaging to enhance visual grading services. Remote digital imaging could help inspectors better interpret and grade difficult or unusual grain characteristics, facilitate training for inspectors, and convey to customers visual information on grain conditions.

5. Functional Quality Assessment. In FY 2001, GIPSA investigated use of near-infrared transmittance (NIRT) measurements on whole wheat kernels to provide a rapid means of predicting dough strength and other characteristics for flour made from that wheat. Data were obtained from export shipments representing the 1998 - 2000 harvests. Preliminary results with 1998-crop Hard Red Spring wheat looked promising, but prediction ability was much reduced for 1999- and 2000-crop samples. In FY 2002, data will be collected on samples representing a wider protein range in order to better understand the relationship between protein levels and end-use characteristics. Data will also be collected on a near-infrared reflectance research instrument to help identify kernel characteristics affecting NIRT predictions. GIPSA will work with academia and ARS to identify additional applications for rapid measurement of end-use properties.

6. Biotechnology Methods Development. The Life Science Organizations developing and introducing biotechnology-derived grains have been very reluctant to release specific information on the genetic inserts and methodologies to detect biotechnology-derived grains and oil seeds due to concerns with patent and intellectual property rights. In addition, it has been very difficult to obtain biotechnology-derived grain and oil seed materials, i.e., seed and/or grain, essential to developing accurate and reliable reference materials and methods. The Institute for Reference Materials and Measurements (IRMM) of the Joint Research Centre (JRC) in the European Commission has developed a limited number of reference materials. But the rapid introduction of biotechnology-derived grains and oil seeds and limited access to materials has prevented the IRMM from keeping pace with the need for reference standards. As a result, the grain industry in

the U.S. is relying on GIPSA to develop and implement programs to standardize methods that will enable the grain industry to comply with U.S. and foreign regulations. In FY 2001, the Biotechnology Reference Facility established Agreements with Life Science Organizations developing biotechnology-derived grains in the U.S. These Agreements allowed the Life Science Organizations to share critical technical information with GIPSA. In FY 2001, GIPSA developed conventional DNA-based methods to detect the presence of all biotechnology-derived grains and oil seeds commercialized in the U.S. In FY 2001, GIPSA conducted a Proficiency Study to assess the capabilities of laboratories in the U.S. and Europe to detect the presence of biotechnology-derived grains. The Proficiency Study involved seven private and government laboratories in the U.S. and four private and government laboratories in Europe. The study showed the performance of the laboratories varied significantly with many laboratories not able to analyze for all biotechnology-derived grains and having unacceptably high rates of false negatives and/or false positives. In FY 2001, GIPSA also established an Agreement with the National Institute of Standards and Technology (NIST) to share technical information and materials. In FY 2002, GIPSA will continue to work with the Life Science Organizations to obtain methods and materials as new biotechnology-derived grains and oil seeds are introduced. In FY 2002, GIPSA will develop quantitative DNA-based methods for all U.S. commercialized biotechnology-derived grains and oil seeds. In FY 2002, GIPSA will establish a collaborative research project with the National Institute of Standard and Technology to develop reference materials that can be used to meet research needs and to develop qualitative and quantitative methods for biotechnology-derived grains and oil seeds.

PACKERS AND STOCKYARDS PROGRAMS

GIPSA administers the Packers and Stockyards Act (P&S Act) of 1921, as amended (7 U.S.C. 181-229) (P&S Act), to promote fair and open competition, fair trade practices, and financial protection to the livestock, meat packing, meat marketing, and poultry industries. The objectives of the P&S Act are to protect producers, growers, competitors, and consumers against unfair, unjustly discriminatory, or deceptive practices which might be carried out by those subject to the P&S Act.

GIPSA identified one goal in its performance plan that relates to the Packers and Stockyards Programs. For reference, that goal and the three objectives under it are listed below.

Goal 1 -- Promote fair and competitive marketing in the livestock, meat, and poultry industries by enforcing the Packers and Stockyards Act of 1921.

Objective 1.1 – Deter individuals and firms from engaging in anti-competitive behavior that violates the Packers and Stockyards Act, and initiate appropriate corrective action when there is evidence of anti-competitive behavior in violation of the Packers and Stockyards Act.

Objective 1.2 – Deter individuals and firms from engaging in unfair, deceptive, or unjustly discriminatory trade practices in the livestock, meat, and poultry industries that violate the Packers and Stockyards Act, and initiate appropriate corrective action when there is evidence of trade practices violation of the Packers and Stockyards Act. .

Objective 1.3 – Deter individuals and firms from failing to provide financial protection to livestock, poultry producers and growers by ensuring firms and individuals comply with the payment, custodial, trust, bonding, and financial requirements of the Packers and Stockyards Act.

Current activities and examples of recent progress by GIPSA's Packers and Stockyards Programs during fiscal year 2001 are outlined below (organized by objective where it is possible to do so):

Objective 1.1

Current activities:

1. GIPSA monitors and investigates livestock, meat, and poultry industry procurement practices and geographic markets to foster and promote fair competition.

2. GIPSA is developing a proposal to revise the annual report forms filed by slaughtering packers with the objective of obtaining more complete procurement and financial data to enhance the agency's ability to monitor and examine competitive behavior.

Selected examples of recent progress:

1. Market Highlights. Beef production in 2001 was about 3 percent below the record set in 2000. Pork production in 2001 equaled production in 2000, and was about 2 percent below the record production of 1999. Broiler production in 2001 increased by 1 percent from its 2000 record level. Total exports of red meat and poultry in 2001 increased 5 percent over exports in 2000, driven mainly by increases in pork and poultry exports. The hog breeding herd in 2001 was about the same as in 2000, yet production increased, because of higher marketing weights and to a lesser extent, because of increases in the number of pigs per litter.

   Despite record production, demand for red meat was strong and prices for cattle and hogs were up during the year. Quarterly average fed cattle prices varied from $70 to $80 per cwt, compared to quarterly averages of $65 to $71 per cwt in 2000. Average quarterly feeder cattle prices ranged from $87 to $91 per cwt, compared to a 2000 average price of $86. Hog prices in 2001 averaged about $2 per cwt more than the 2000 average of $45. The higher prices, combined with continued low feed costs, meant that cattle and hog producers continued to enjoy higher returns than they experienced in recent years preceding 2000.

   The structure of the industry continued to evolve in 2001. The pork industry's production and marketing contracts account for about 80 percent of all slaughter hogs. Six of the Nation's largest meat and poultry firms launched a business-to-business Web marketplace for buyers and sellers of red meat and poultry products, which folded after operating a short time. Tyson Foods, the Nation's largest broiler producer, acquired IBP, inc., one of the Nation's largest processors of beef and pork. Beef and pork packers continued to buy or build facilities that produce processed meat products, moving into higher margin value-added markets.

2. Concentration and industry structure. For steers and heifers, four-firm concentration rose from 59 percent in 1990 to 81 percent in 1993, but has remained relatively stable since then. Four-firm concentration in hog procurement rose from 40 percent in 1990 to 56 percent in 1996, but remained stable thereafter as well. Four-firm concentration in sheep and lamb slaughter fell slightly from 70 percent in 1990 to 67 percent in 2000, and the number of plants and number of head slaughtered by the top four firms, both in absolute numbers and as a percentage of total sheep and lamb slaughter, fell between 1988 and 2000. Four-firm concentration in broiler processing rose from 33 percent in 1985 to 49 percent in 2000.

3. Actions in response to recommendations from GAO to change GIPSA's competition program. In FY 2000 the General Accounting Office (GAO) conducted an audit of GIPSA's investigations of competitive practices. In the report titled "Packers and Stockyards Program: Actions Needed to Improve Investigations of Competitive Practices," GAO recommended that GIPSA take the following actions:

   a. Develop a teamwork approach for investigations with GIPSA's economists and OGC's attorneys working together to identify violations of the law. Improve GIPSA's

investigation processes and practices by adopting methods and guidance similar to the Department of Justice's and the Federal Trade Commission's for selecting, planning, conducting, and reviewing investigations.

b. Determine the number of OGC attorneys that are needed for USDA's OGC to participate in GIPSA's investigations and, as needed, assign attorneys to lead or participate in these investigations. Provide for senior GIPSA and OGC officials' review of the progress of investigations at main decision points and provide feedback, guidance, and approval of investigations as they progress. Ensure that legal specialists are used effectively by providing them with leadership and supervision by USDA's OGC attorneys. Ensure GIPSA has the economic talents it requires by considering whether to modify the GS grade structure for GIPSA's economists.

c. Provide industry participants and the Congress with clarifications of GIPSA's views on competitive activities by reporting publicly on changing business practices in the cattle and hog industries and identifying market operations or activities that appear to raise concerns under the P&S Act.

GIPSA implemented numerous actions to address GAO's recommendations for changes in GIPSA's competition program. GIPSA's actions included the following:

a. When a potential violation is identified, either by complaint brought to GIPSA's attention or during the course of targeted GIPSA investigations of specific regulated entities or practices, an investigation work plan is developed based on specific procedures outlined in Packers and Stockyards Programs' revised Employee Procedure Manual.

b. In developing investigation work plans, GIPSA's legal specialists develop the legal theory on how the investigated action relates to the alleged violations and GIPSA's economists develop an economic analysis of the alleged violations. Once the initial investigation plans are developed in the regional offices, the work plans for complex investigations are forwarded to GIPSA's Washington, D.C., headquarters for review by GIPSA senior management and the Office of the General Counsel (OGC), and for final approval before any investigation work is initiated. Complex investigations are those that require a substantial commitment of resources, involve major firms or large industry constituencies, involve novel economic or legal theories, or otherwise present substantial challenges. The senior management review and approval of a routine investigation generally is conducted after the regional offices have completed their investigation work and sent an investigation file to headquarters.

c. USDA signed a Memorandum of Understanding with the Department of Justice (DOJ) and the Federal Trade Commission (FTC) that provides a framework for the agencies to confer regularly to discuss and review law enforcement and regulatory matters related to competitive conditions in the agricultural marketplace, for the purpose of increasing each agency's understanding and improving each agency's effectiveness in carrying out its respective legal responsibilities. OGC's Assistant General Counsel, Trade Practices Division, is USDA's official liaison with the DOJ and FTC.

d. GIPSA reviewed DOJ and FTC procedures and GIPSA and OGC senior management met with personnel from the FTC's Bureau of Competition for training and guidance in collecting relevant information from firms under investigation. In those discussions it became apparent that merger investigations, which GIPSA does not conduct, account for a significant portion of DOJ's and FTC's caseloads. GIPSA enforces the P&S Act, which is a fair trade practice and payment protection law that promotes fair and competitive marketing environments for the livestock, meat, and poultry industries.

Accordingly, while GIPSA received general investigative guidance from DOJ and FTC that guidance was adopted in GIPSA's development of investigation procedures to the limited extent it fit GIPSA's circumstances.

e. Senior GIPSA and OGC officials meet regularly to review the progress of GIPSA investigations. These officials determine whether and when to assign an OGC attorney to an investigation team. At main decision points during the course of investigations GIPSA and OGC senior management confer to determine the appropriate course of action. When appropriate, GIPSA and OGC management direct the regional offices to continue or discontinue investigations.

f. In 2000, OGC estimated that five additional attorneys were needed to fully staff complex investigations conducted by OGC's Trade Practices Division. Congress appropriated an additional $500,000 in the Consolidated Appropriations Act 2001 (Public Law 106-554) to the Secretary of Agriculture for use by OGC, and those attorney positions have been filled.

g. GIPSA created a new supervisory legal specialist position to supervise GIPSA legal specialists. As with all GIPSA legal specialists, the supervisory legal specialist is an attorney licensed by the bar of one or more states. The supervisory legal specialist provides GIPSA legal specialists with leadership and supervision and, as GIPSA's primary OGC liaison, has frequent direct contact and consultation with OGC.

h. For the first time in more than 30 years, the Packers and Stockyards Programs' most senior manager (Deputy Administrator) is a licensed attorney. In that role, she provides direct supervision to the supervisory legal specialist and day-to-day coordination with OGC. The Deputy Administrator formerly worked for OGC as a senior attorney participating in GIPSA investigations and litigating its complex cases.

i. OGC provided GIPSA legal specialists with training in investigation procedures and oversight several times during the past 12 months. In late 2000, OGC was involved in providing comprehensive training for GIPSA economists and legal specialists. Three week long training sessions for legal specialists were also conducted in first quarter 2001, with OGC and FTC personnel providing training in subpoenas, records collection, and information technology specific to competition issues.

j. GIPSA continues to actively seek out candidates and fill economist and legal specialist positions to strengthen its efforts to investigate anticompetitive behavior in the livestock, meat, and poultry industries. To enhance efforts to attract and retain highly qualified candidates, GIPSA sought and received approval to raise the grade level for economists and legal specialists. GIPSA currently has seven legal specialist and 26 economist positions in the field and at headquarters. The Agency anticipates adding up to seven more legal specialist positions in 2003.

k. The Deputy Administrator of GIPSA's Packers and Stockyards Programs testified before the Senate Committee on Appropriations in May 2001 and addressed the scope of the P&S Act. In that testimony, the Deputy Administrator clarified that the P&S Act does not prohibit the use of captive supply or mergers of entities within a given sector or in different sectors, and that the P&S Act does not prohibit industry consolidation.

l. During fiscal year 2001 GIPSA developed 21 information releases on the Agency's oversight of the livestock industry. These releases summarized GIPSA's enforcement of the P&S Act and identified specific complaints issued by GIPSA and subsequent resolution of those complaints as they occurred.

m. GIPSA increased its industry presence in public forums and provided industry participants increased Agency access and perspective on market practices as they related to the P&S Act. During fiscal year 2001, GIPSA sponsored or participated in over 40 outreach activities, meetings, and industry presentations. (Some specific examples of the types of activities GIPSA sponsored or participated in are included later in this section, under Objectives 1.1-1.3, item 4 "Outreach.")

n. GIPSA published a cattle and hog industries assessment report for calendar year 2000 (see this item listed separately below), which addressed changing business practices in these industries and identified market operations or activities that raised concerns under the P&S Act.

4. Cattle and hog industries assessment report. The Grain Standards and Warehouse Improvement Act of 2000 (Pub. L. No. 106-472), enacted on November 9, 2000, amended the P&S Act, and requires the Secretary to submit to Congress and make publicly available an annual report that (1) assesses the general economic state of the cattle and hog industries; (2) describes changing business practices in those industries; and (3) identifies market operations or activities in those industries that appear to raise concerns under the P&S Act. In order to meet this requirement, GIPSA prepared and submitted to Congress a report titled "Assessment of the Cattle and Hog Industries, Calendar Year 2000." The report found that substantial changes are occurring in the structure and behavior of firms in the livestock and meatpacking industries.

5. Captive supply study for Congress. At the request of Congress, GIPSA conducted a comprehensive study on the issue of captive supply of cattle. The study examines variations in the definitions of captive supply among organizations that provide captive supply statistics, including the definition used by GIPSA in its annual "Packers and Stockyard's Statistical Report." The report will be submitted to Congress and made publicly available in early FY 2002. It will explain how differences in those definitions have led to differences in the statistics reported in alternative sources, and why GIPSA's captive supply percentage has been lower than other reported percentages.

6. Major packers' contract and procurement methods for fed cattle. GIPSA's Denver office conducted a contract and procurement methods disclosure investigation of major beef packers in 2001. GIPSA now has an electronic data base detailing the terms of packers' fed cattle contracting arrangements that identifies how major packers buy and price fed cattle.

7. Meat packers' compliance with the P&S Act after implementation of the new mandatory price reporting law. GIPSA's Denver and Des Moines offices investigated meat packers' activities in cattle and hog markets, respectively, immediately after AMS's transition to mandatory price reporting program from its previous voluntary price-reporting program. GIPSA found no violation of the P&S Act in relation to packers' activities in conjunction with mandatory price reporting.

8. Declines in cash and futures prices for fed cattle purchased for slaughter after September 11, 2001. GIPSA investigated precipitous declines in cash and nearby futures prices for fed cattle purchased for slaughter following the September 11 terrorist attacks. In cooperation with the Commodity Futures Trading Commission, GIPSA found that changes in cattle supply and beef demand conditions prior to September 11 would account for the declines in cash and nearby futures price of fed cattle for slaughter. GIPSA found no violation of the P&S Act in conjunction with these declines.

Objective 1.2

Current activities:

1. GIPSA investigates trade practices of meat packers, market agencies, and dealers to detect fraudulent transactions and to guard against unfair trade practices.

2. GIPSA investigates practices of live poultry dealers to identify and correct those that violate the P&S Act.

3. GIPSA conducts check weigh investigations at auction markets, terminal stockyards, and at packer and dealer buying stations to foster and maintain integrity in the weighing of livestock in transactions that are subject to the P&S Act. GIPSA also conducts check weigh investigations at live poultry dealers' slaughtering and feed weighing facilities.

Selected examples of recent progress:

1. Packer payment for livestock sold for slaughter, which later tests positive for illegal drug residue. In FY 2001, GIPSA met with representatives of Food Safety Inspection Service (FSIS), the USDA agency responsible for testing livestock for illegal drug residue. FSIS originally agreed to provide GIPSA with copies of letters of notice sent to owners of cattle and calves found to contain illegal drug residue. In a subsequent discussion, FSIS agreed to provide a monthly summary in lieu of a copy of each letter. GIPSA agreed to assist FSIS with determining the owner of any cattle sold to a packer found to have a violative level of drug residue if the seller or the seller's agent is subject to the P&S Act and FSIS has difficulty obtaining the information.

2. Orientation for New Auction Market Owners. When a new operation is established or there is a change in ownership of an existing operation, GIPSA conducts an early visit with the new owners to inform him or her of the basic requirements of the P&S Act. A resource folder is prepared by the investigator containing information about the requirements of the P&S Act and regulations pertaining to registration and bonding, tariffs, record maintenance, custodial accounts, scales and weighing, and basic trade practices. The new market orientation provides the investigator with an opportunity to answer any questions the new owner may have and establishes a basic working relationship with the new operator. During FY 2001, GIPSA conducted 23 orientations for new auction market owners.

3. Internet monitoring. GIPSA regularly monitors the Internet for on-line buying and selling businesses subject to the P&S Act. GIPSA currently has registrations on file for seven firms operating solely over the Internet. In addition, there are six other firms that sell on commission over the Internet and also operate livestock sales at fixed locations.

4. Reparation. Any person harmed when a market agency or dealer violates sections 304, 305, 306, or 307 of the P&S Act may file a reparation claim seeking monetary damages. At the beginning of FY 2001, there were 18 docketed reparation complaints pending in which the complainants are seeking total reparation in the amount of $476,800. During FY 2001, 3 additional actions were docketed or reopened in which the complainants are seeking total reparation in the amount of $71,572. One case was closed, in which the complainant was awarded $9,500. At the end of FY 2001, 17 cases, in which complainants are seeking a total of $236,628 in reparation, were pending.

5. Contract poultry arrangements. During FY 2001, GIPSA investigated the operation of 71 live poultry dealers. Nearly 20 percent of these investigations were the result of complaints received from contract growers. GIPSA is conducting investigations of the payment terms incorporated into various poultry growing arrangements. These investigations are designed to determine whether the contract settlement terms of several live poultry dealers throughout the United States are deceptive or unfair to the growers who grow poultry under these agreements.

Continuing investigations of large tare weight variations have prompted procedural changes by several poultry firms to ensure accurate tare weights of poultry live haul vehicles. Weighing practices were investigated through unannounced check weighing at 104 poultry complexes in FY 2001.

6. Live poultry dealers' compliance with the P&S Act after implementation of the new feed weight regulation. During FY 2001, GIPSA's Atlanta, Georgia, regional office conducted 86 feed mill orientations and weighing investigations. In general, most livestock producers were in compliance with the new feed weight regulations. Some companies did make changes in their practices in order to bring them into compliance.

7. Accurate weights. Accurate weights are necessary for buyers and sellers to receive full payment for their livestock, meat, and poultry when sold on a weight basis. GIPSA has several programs that help ensure accurate weights. GIPSA analyzes scale tests and follows up on inaccurate scales; provides training as needed to state and private scale testing agencies; does compliance investigations to ensure that auxiliary equipment used to suspend or contain livestock or poultry on a scale is standardized in weight and that the tare weight taken for auxiliary equipment is not in excess of the average tare weight of the equipment in use; conducts investigations to ensure that weighing and associated equipment is properly used to issue correct weights; and does compliance investigations to ensure that weights are not arbitrarily altered to the detriment of the buyer.

In FY 2001, 91 percent of the scales tested met performance requirements. Scales found not to be in compliance were adjusted, repaired or replaced. A total of 304 weighing investigations were conducted. Approximately 5.3 percent disclosed incorrect weighing, which resulted in corrective action being taken. Administrative complaints were issued against four entities for allegedly selling livestock at more than their true and correct weight.

8. Electronic carcass evaluating systems. The electronic evaluation equipment presently in use does not have scientifically-determined, uniform standards for use. This is an area of concern to GIPSA, since information from carcass evaluation equipment is often used to compute payments to livestock producers. GIPSA is working with the American Society of Testing Materials, industry representatives, academia, and other governmental agencies to develop standards for electronic carcass evaluation systems to ensure producers are paid on a fair and equitable basis when this equipment is used in the determination of price. GIPSA participated in two American Society for Testing and Materials Technical Committee meetings related to developing uniform standards for electronic carcass evaluating systems during FY 2001. At this time, we are working on standards to implement this initiative.

9. Cooperation with State Agencies. GIPSA has developed effective, informal cooperative working relationships with most States in fields where the States have complementary or overlapping authority. Conferences are held regularly with state regulatory agencies and with national, regional, and State weights and measures associations. During FY 2001, GIPSA participated in the National Conference on Weights and Measures (NCWM) and 6 regional Weights and Measures Association meetings.

Objective 1.3

Current activities:

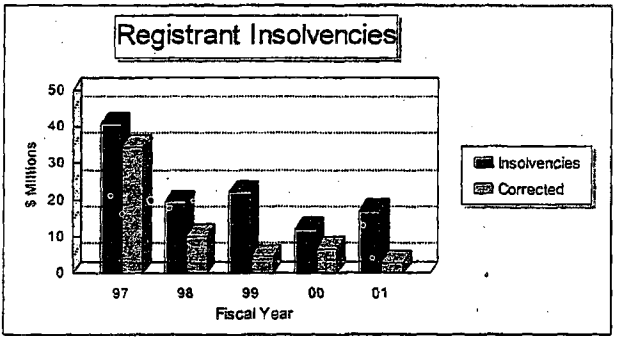
1. GIPSA investigates the financial condition and payment practices of market agencies, dealers, packers, and live poultry dealers subject to the P&S Act to determine if they are financially sound and capable of meeting their financial obligations for livestock, meat, or poultry.

2. GIPSA maintains the integrity of the statutory trust provisions in the P&S Act for cash sellers of livestock and poultry.

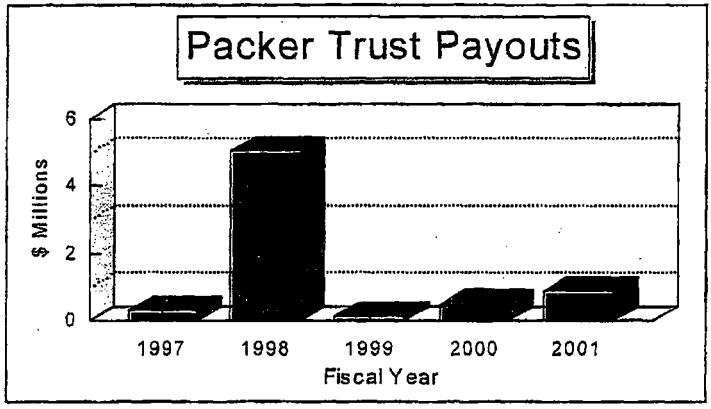
3. GIPSA ensures that auction market operators, commission firms, dealers, and packers (who purchase more than $500,000 of livestock annually) maintain adequate surety bonds or bond equivalents to assure payment to livestock sellers when the entities fail to make full payment.

Selected examples of recent progress:

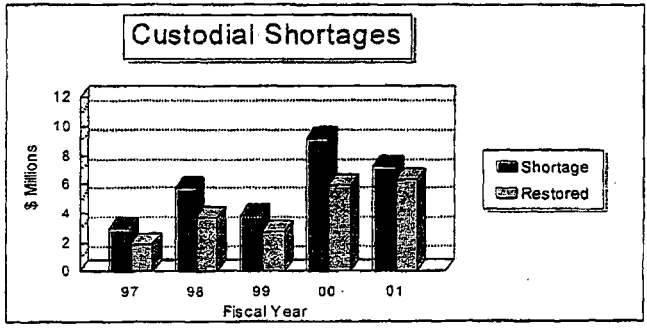
1. Solvency. Livestock dealers, market agencies, and packers are required to meet solvency requirements, a critical payment protection component of the P&S Act. In the past 5 fiscal years, 1,054 dealers and market agencies found to be insolvent either corrected or reduced their insolvencies by over $58.5 million as a result of GIPSA compliance activities. Of the 1,054 dealers and market agencies, 430 completely corrected their insolvency. In FY 2001, 165 registrants were found to have insolvencies of $16.8 million. Forty-seven insolvent dealers and market agencies (out of the 165 registrants previously mentioned) corrected or reduced their insolvencies by $ 2.9 million. In FY 2001, insolvent packers corrected or reduced their insolvency by $1.9 million.



2. Packer Trust. Payment protection for producers selling to slaughtering packers is provided through statutory provisions requiring full and prompt payment, packer bonding, and establishing packer trusts. The packer trust provisions allow producers owed by a packer for livestock to make claims against inventory and receivables, which gives them priority over other secured creditors in the case of a financial failure. In FY 2001 livestock sellers recovered over $844,000 under the packer trust provisions of the P&S Act.



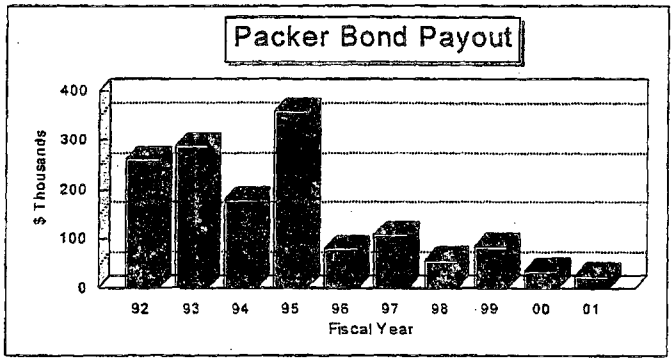
3. Custodial Shortages. Market agencies that sell livestock on a commission basis are required to establish and maintain a separate bank account for the benefit of livestock sellers designated a "Custodial Account for Shipper's Proceeds." GIPSA receives biannual reports from the markets on these accounts as part of an ongoing compliance surveillance program. During FY 2001, on site compliance reviews of 322 custodial accounts disclosed that 98 markets had custodial account shortages totaling $7.2 million. The compliance surveillance program resulted in the restoration by the markets of $6.3 million to the custodial accounts.



4. Bonding. The P&S Act and regulations require that each market agency and dealer operating in commerce be registered and bonded. In FY 2001, 598 livestock sellers with claims of $4.2 million were paid $276,000 from registrant bonds. Claims of $556,094 are outstanding against the proceeds from those bonds, awaiting final resolution of valid claims by the responsible trustees.

Under the P&S Act all slaughtering meat packers that have annual livestock purchases exceeding $500,000 must file and maintain a bond or bond equivalent for their operations subject to the P&S Act. These slaughtering packers must also register their livestock buyers as dealers purchasing livestock for slaughter. The packer buyers' livestock purchases are covered under the packer's bond. In FY 2001, 355 livestock sellers with claims of $3.8 million were paid $25,000 from

packer bonds. Claims of $3.6 million are outstanding against the proceeds from those bonds, awaiting final resolution of valid claims by the responsible trustees.



Objectives 1.1-1.3 (Impact all three objectives)

Selected examples of recent progress:

1. Rapid response teams. GIPSA's rapid response teams are designed to deal with high priority investigations that require expeditious examination and analysis to prevent or minimize major competitive or financial harm caused by violations of the P&S Act. These teams were deployed to address several potentially serious situations across the Nation in FY 2001. During the year, 94 GIPSA investigators conducted 51 rapid response investigations. These investigations uncovered violations of the P&S Act and also resulted in returning $6.1 million to livestock producers and poultry growers. Examples of rapid response investigations in FY 2001 include the following:

   a. October 2000 - Rapid response by GIPSA investigators contributed to the payment of $845,000 owed to livestock sellers when a cow slaughter plant ceased slaughter operations.

   b. May 2001 - Rapid response teams investigated potential manipulation of the live cattle market by packers soon after the mandatory livestock price reporting law became effective.

   c. July 2001 - Two rapid response teams were deployed to Missouri to evaluate the effect in the marketplace of a State livestock marketing law that required packers to pay or offer the same price for like livestock unless quantifiable differences in acquiring the livestock existed. The law resulted in some packers exiting from the cash market, while continuing to purchase livestock on a grade and yield basis.

2. Toll-free complaint hotline. GIPSA maintains a toll-free number (1-800-998-3447) to allow livestock producers, poultry growers, and the public to report complaints and share concerns. During FY 2001, GIPSA received 124 hotline complaints from livestock producers, poultry growers, and the public. The majority of these complaints alleged violations of the trade practice provisions of the P&S Act. Each call was referred to the appropriate regional office for review. GIPSA investigated and took appropriate action on all complaints reporting substantiated violations of the P&S Act.

3. Complaints and Decisions Issued. During FY 2001 GIPSA issued 12 administrative complaints and one civil complaint against 19 firms and individuals. In the same period, twenty-nine administrative decisions and orders were issued against 12 firms and individuals for violations of the P&S Act. Nine of those entities were assessed $22,500 total in civil penalties. Three of those entities were ordered to suspend their operations subject to the P&S Act. One Federal District Court decision and order, which assessed a $5,000 civil penalty for a violation of the P&S Act, was issued against an individual during FY 2001.

4. Outreach. GIPSA continues to improve its outreach efforts to producers of all sizes. Special emphasis has been placed on reaching out to small and medium sized farmers, poultry growers and ranchers. Town Hall meetings, forums, and attendance at industry conferences and conventions provide opportunities to seek input and maintain a meaningful dialogue with all facets of the livestock and poultry industry. During FY 2001, GIPSA hosted, participated in, or attended over numerous activities and meetings for the purposes of outreach. Some examples of those activities follow:

   a. Early FY 2001—GIPSA hosted 10 poultry town hall meetings for poultry growers and other poultry industry members in Texarkana, Texas; Salisbury, Maryland; Harrisonburg, Virginia; Jefferson, Georgia; Hanceville, Alabama; Morton, Mississippi; Russellville, Arkansas; Dexter, Missouri; Fayetteville, North Carolina; and Moutrie, Georgia. During the meetings GIPSA discussed some newly promulgated feed weighing regulations and its authority and responsibility relating to the poultry industry, as well as answering questions posed by growers and industry members who attended the meetings. The town hall meetings resulted in multiple requests for additional presentations about GIPSA authority in the poultry industry. GIPSA employees, as resources allowed, did give further presentations to meet these requests.

   b. Mid FY 2001—GIPSA employees and officials attended multiple livestock market and feeder association meetings, multiple livestock producer outreach meetings, multiple state and regions weights and measures conferences, the National Conference on Weights and Measures, the International Poultry Exposition, the USDA Agricultural Outlook Forum, the National Cattlemen's Beef Association summer meeting, an American Sheep Industry Association meeting, a Western States Livestock Investigators Association meeting, a National Lamb Feeders Association meeting, a National Conference of State Legislatures meeting, a Council on Food, Agricultural and Resource Economics meeting, two Livestock Marketing Information Center's Technical Committee meetings, and an Allied Social Sciences Associations annual meeting.

   c. Late FY 2001—GIPSA officials participated in meetings various groups scheduled with the Under Secretary for Marketing and Regulatory Programs, Bill Hawks. The participants in those meetings included an ostrich association, members of the Campaign for Contract Agriculture Reform, and senior officers of the National Turkey Federation. GIPSA officials also attended an American Agricultural Economics Association annual meeting.

AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM (AIHEC) INITIATIVE

In FY 2001, GIPSA maintained its departmental lead of the AIHEC Initiative. The AIHEC Initiative includes the administration of a national advisory board (USDA/AIHEC Leadership Group) and a 1994 Land-Grant Institutions' Liaison program. GIPSA administers and staffs the AIHEC Initiative through an AIHEC National Coordinator, currently serving under an Intergovernmental Personnel Arrangement between AIHEC and GIPSA. The goals of the AIHEC Initiative include supporting USDA programs and activities that enhance the capability of American Indians to attain educational excellence and to contribute positively to the fulfillment of USDA's missions.

The USDA/AIHEC Leadership Group met once and conducted several conference calls in FY 2001. A strategic planning document was drafted to address specific priority areas of opportunity and cooperation. Recommendations were formulated for the continued development of the AIHEC Initiative, including the implementation of the 1994 Land-Grant Institutions' Liaison Program.

The 1994 Land-Grant Institutions' Liaison Program prepared for a proposed assignment of six regionally based liaison officers in FY 2003. Consultations were conducted with USDA officials, 1994 Land-Grant Institution Presidents, and the AIHEC Board of Directors regarding the implementation of the Liaison Program. Full support was received from all parties for the FY 2003 implementation plan.

The AIHEC Initiative participated in eight national conferences or workshops and nine college site visits. Student recruitment activities included attendance at career fairs and the coordination of internship programs. Public relations efforts included the publication of brochures, submission of journal articles, and video production. The AIHEC Initiative participated on two USDA councils, and provided technical assistance to four USDA agencies.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored: deleted matter enclosed in brackets):

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 may be exceeded by up to 10 percent with notification to the Appropriations Committees.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

INSPECTION AND WEIGHING SERVICES

Obligations, 2002	$42,463,000
Budget Estimate, 2003	42,463,000
Change in Limitation	--

LIMITATION ON INSPECTION AND WEIGHING EXPENSES

Appropriation Act, 2002	42,463,000
Change in Limitation	--
Budget Estimates, 2003	42,463,000

PROJECT STATEMENT

Project	2001 Actual		2002 Estimated		Increase or Decrease	2003 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Insp. & Weighing Activities	$33,891,489	420	$42,463,000	455	--	$42,463,000	455
Unobligated balance avail. start of period	-6,099,478	--	-4,545,277	--	--	-4,545,277	--
Unobligated balance avail. end of period	4,545,277	--	4,545,277	--	--	4,545,277	--
Collections	32,337,288	420	42,463,000	455	--	42,463,000	455

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2001 AND ESTIMATED 2002 AND 2003
INSPECTION AND WEIGHING

	FY 2001		FY 2002		FY 2003	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Arkansas	$2,098,267	36	$2,629,000	39	$2,629,000	39
California	99,387	1	124,000	1	124,000	1
District of Columbia	8,841,677	48	11,335,000	48	11,335,000	48
Idaho	214,406	3	268,000	3	268,000	3
Iowa	259,426	2	325,000	2	325,000	2
Kansas	504,276	6	631,000	7	631,000	7
Louisiana	11,034,247	173	13,566,000	190	13,566,000	190
Maryland	748,645	8	938,000	9	938,000	9
Minnesota	241,812	2	303,000	2	303,000	2
Missouri	1,058,774	16	1,327,000	18	1,327,000	18
North Dakota	578,705	10	726,000	10	726,000	10
Ohio	1,245,756	16	1,561,000	18	1,561,000	18
Oregon	2,754,986	42	3,452,000	46	3,452,000	46
Texas	3,951,473	55	4,950,000	60	4,950,000	60
Washington	54,027	1	68,000	1	68,000	1
Subtotal, Available or Estimate	33,683,864	419	42,203,000	454	42,199,000	454
Canada	207,625	1	260,000	1	264,000	1
Total, Available or Estimate	33,891,489	420	42,463,000	455	42,463,000	455

INSPECTION AND WEIGHING SERVICES

Goal 2: Facilitate the marketing of U.S. grain for the benefit of American agriculture.

Objective: 2.3 - Provide cost-effective and responsive official grain inspection and weighing services.

Current Activities: The official grain inspection and weighing system - a unique mix of Federal, State, and private inspection agencies - served the industry by providing over 2 million inspections in FY 2001, representing an estimated 235 million metric tons of grain and oilseeds.

The Agency will continue to develop new inspection and weighing services while seeking additional ways of reducing costs.

Selected Examples of Recent Progress: (Inspection and Weighing)

1. Fee Increases. On May 4, 2001, GIPSA increased by approximately 3.7 percent its hourly rates and certain unit rates on tests performed on rice and commodities (65 *Federal Register* 17775). Also, effective August 8, 2001, GIPSA increased by approximately 6.1 percent its hourly rates and certain unit rates on tests performed at other than an applicant's facility for user fees charged for official inspection and weighing of grain (66 *Federal Register* 35751). These increases were designed to generate revenue required to recover operational costs created by mandated cost-of-living increases to Federal salaries.

2. Grain Inspection Automation at Export Elevators. A GIPSA team of automation and grain inspection experts, working with the North American Export Grain Association (NAEGA), developed a prototype automated grain inspection system. The system provides updated grain inspection information five times faster than present manual methods. The automated system has the potential to reduce costs to the industry and enhance GIPSA's efficiency. GIPSA will operate the prototype system in FY 2002 to gather performance data and identify required enhancements.

3. Hard White Wheat. Hard White wheat produced during the 2001 crop year in Kansas was darker in color than normally expected. The wheat exhibited the typical milling and baking traits and characteristics of Hard White wheat except for color, which was affected by the growing environment. The Hard White wheat market accepted darker-colored Hard White wheat varieties and segregated it from Hard Red Winter wheat. To facilitate the marketing of Hard White wheat, GIPSA amended the official wheat classification policy to ensure that all Hard White wheat varieties are considered Hard White wheat regardless of color. Purity of class is determined by visual analysis of individual kernels.

4. Promoting Efficiency. GIPSA assisted a grain firm in approving a shipping bin procedure for loading unit trains at an interior grain elevator. The shipping bin procedure for loading unit trains will permit the grain company to preinspect grain prior to the train's arrival and speed the loading of unit trains by nearly 25 percent. This will enable the shipper to better realize the financial incentives offered by the railroad for quick turnaround on unit trains. GIPSA will make this inspection option available to other rail shippers.

   GIPSA initiated a study to assess the impact of bulk handling on rough rice quality. This study will enable GIPSA to design an inspection program whereby bulk rice inspected at an interior location can be identity preserved during shipment to export, reducing the amount of export inspections needed. This action will improve the efficiency of rice marketing.

5. Promoting Efficient Review Inspections. GIPSA plans to propose revisions to the regulations under the U.S. Grain Standards Act regarding reinspections and appeal inspections. Currently, reinspections and appeal inspections for grade must include a review of all official factors that:

(1) may determine the grade, (2) are reported on the original certificate, or (3) are required to be shown. In today's market, GIPSA considers this regulatory requirement inefficient, costly, and unnecessary. GIPSA will propose allowing interested parties to specify which official factor(s) should be redetermined during the reinspection or appeal inspection service. However, to safeguard against inadvertent misgrading, official personnel may determine other factors, when deemed necessary. The proposal will be published in the *Federal Register* in FY 2002.

6. Railroad Track Scale Testing Program. GIPSA's railroad track scale testing program, which was implemented in 1978 as part of the USGSA-mandated equipment testing requirements, continues to grow. While our first priority remains testing grain industry railroad track scales, GIPSA also provides service to the Association of American Railroads (AAR), NIST, and railroad companies on a time-available/cost-recovery basis. The testing program now has five railroad track scale test cars and may be expanded with an additional two cars.

Number of Certified Scales in Service at Export Elevators				
1997	1998	1999	2000	2001
253	256	258	258	250

Number of Railroad Track Scales Tested				
1997	1998	1999	2000	2001
136	155	204	186	250

7. StarLink™ Test Services. GIPSA implemented StarLink™ test services for corn on November 15, 2000, to help the U.S. corn market properly segregate and use StarLink™ corn. Using the lateral-flow testing method, a reliable and rapid test for the presence of StarLink™, GIPSA implemented flexible testing and certification procedures allowing applicants to direct the level of detection, which GIPSA identified on the certification statement. Concurrent with the implementation of the testing procedures, GIPSA developed a protocol to facilitate the shipment of food corn to Japan to provide a practical quality assurance process to meet the Government of Japan Ministry of Health and Welfare food regulatory requirements for StarLink™ corn. The protocol provides for corn exported to Japan for food purposes to be tested for the presence of StarLink™ at interior locations and its identity preserved to the export vessel.

8. Supporting USDA Programs. USDA farm programs for deficiency payments and crop insurance typically rely on the U.S. standards to determine eligibility and payment. GIPSA acted on two commodities this year--Pinkeye beans and hulless oats--to assist farmers in their eligibility requirements. GIPSA also helped develop a warehouse fumigation protocol for processed products.

GIPSA received inquiries from the industry and Risk Management Agency (RMA) about the eligibility of Pinkeye beans for crop insurance. GIPSA evaluated Pinkeye bean type samples and discussed the functionality of the commodity with experts in the cowpea industry. Based on a review of this matter, GIPSA determined that Pinkeye beans are a "violeteye cowpea" which conforms to the Blackeye bean standards. As a result of this determination, producers of Pinkeye beans are eligible for crop insurance under the USDA program.

USDA's crop insurance program does not cover hulless oats. Producers indicate crop insurance is not available because the official U.S. grain standards do not include hulless oats in the definition for oats. GIPSA prepared a proposal to amend the oat standards to address hulless oats. Until the standards are changed, GIPSA implemented inspection procedures for hulless oats so official inspections could be performed to facilitate the eligibility of hulless oats for crop insurance.

GIPSA cooperated with USDA's Farm Service Agency (FSA) to develop and implement a warehouse fumigation protocol for bagged commodities moving to export. This action was precipitated by reported live infestation of cargo at certain destinations. The protocol emphasizes preventative rather than remedial actions. Every commodity, as specified by FSA, must receive at least one treatment with a phosphine fumigant between the commodity mill and the foreign receiver. GIPSA will verify the fumigator's readings for temperature, exposure hours, and fumigant concentration level.

9. Wheat Protein Certification. A number of importers of U.S. wheat have requested that GIPSA optionally certify wheat protein content results on any specified moisture basis requested by applicants, in addition to certifying results on the current 12.0 percent moisture basis. In response to this request, GIPSA published a notice in the October 1, 1998, *Federal Register,* soliciting comments on a proposal to introduce flexible certification of our protein testing program, in addition to maintaining the standardization of results. GIPSA evaluated the comments and published a final notice in the November 3, 2000, *Federal Register,* to begin certifying protein content in wheat using the current 12.0 percent moisture basis and any other moisture basis requested by an applicant. This action, implemented on May 1, 2001, allows GIPSA to meet importers' needs for additional quality information.

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